The Effects of Visual Merchandising on Purchase Decision and the Role of Emotional States as Mediating Variable (A Study on IKEA Indonesia)

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The Effects of Visual Merchandising on Purchase Decision and the Role of Emotional States as Mediating Variable (A Study on IKEA Indonesia)

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ABSTRAK

Daya tarik Merchandising Visual telah secara luas dan ekstensif di terapkan di dalam industri mode dan gaya hidup, sementara penerapan di dalam industri ritel furnitur mulai dan turut berkembang secara pesat. Penelitian ini ditujukan untuk menganalisa pengaruh serta hubungan antar konsep merchandising visual, keadaan emosional, dan keputusan pembelian dalam lingkungan ritel IKEA. Penelitian ini mengamati orang-orang di dalam wilayah Tangerang, dimana dipilih bedasarkan letak toko ritel IKEA. Kuesioner dipergunakan sebagai instrumen pengumpulan data dari 300 sample, yang dipilih melalui metode non-probability sampling. Data yang diperoleh, di proses lebih lanjut dengan pendekatan analisa Pemodelan Persamaan Struktural (SEM). Hasil penelitian ini menunjukkan bahwa Merchandising Visual dan Keadaan Emosional memiliki pengaruh positif yang signifikan terhadap Keputusan Pembelian, baik secara langsung maupun tidak langsung. Oleh karena itu, menunjukkan bahwa customer IKEA yang diamati, mengindikasikan bahwa komposisi merchandising visual IKEA memiliki pengaruh yang baik dan signifikan terhadap keadaan emosional yang dirasakan, dimana pengaruh tersebut memiliki dampak yang positif terhadap evaluasi keputusan pembelian mereka.

Kata kunci: merchandising visual IKEA, keadaan emosional, keputusan pembelian

ABSTRACT

Visual Merchandising appeal has long known to be utilizes extensively within the fashion and lifestyle industry, meanwhile its apparent utilization within furniture retailing such as IKEA steadily growing as extensively. This research aimed to analyze and understand the influences and relationship between visual merchandising, emotional states, and purchase decision within IKEA retail environment. The research observes people within Tangerang area, where the IKEA Indonesia store is located. A questionnaire utilized to collect data from a sample size of 300 respondents, in which selected through non-probability sampling. The data collected are further processed through Structural Equation Modeling analysis (SEM). The result indicates that both Visual Merchandising and Emotional States significantly influence Purchase Decision positively, directly and or indirectly. Therefore, shows that observed IKEA's customer favor the visual merchandising arrangement effect on their emotional states, in which along positively influence their respective purchase decision evaluation.

Keywords: IKEA visual merchandising, emotional states, purchase decision

PENGARUH MERCHANDISING VISUAL TERHADAP KEPUTUSAN PEMBELIAN DAN PERAN KEADAAN EMOSIONAL SEBAGAI VARIABEL MEDIASI (Studi pada IKEA Indonesia)

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Kata kunci: Merchandising visual IKEA, keadaan emosional, keputusan pembelian

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STATEMENT OF ORIGINALITY

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CHAPTER I

INTRODUCTION

1.1 The Research Background

The vast amount of changes both as the causes and effects of globalization has continuously changing the way a retail business operates. To put advancement in technologies and communications into the equation, so does the interactions between the business and its respective customer.

According to a research and survey done by customer relationship management enterprise Salesforce (2016), highlighted that 61% of 7000 global participants of the research says that technologies is redefining their behavior towards a business entities, in which further explain the implication in sales. Meanwhile, within the same set of research which intended to multinational corporations, shows only 29% of retail companies using the means of the digital channel such as website, extensively as marketing strategies (Salesforce, 2016).

The contrast highlights the importance of a retail business operation through its physical channel such as retail store as still its main and preferred approach, despite of the parallel advancement and utilization of digital channel. According to Digital Shopper Relevancy Report done by consulting group Capgemini (2014), 72% of analyzed customer consider physical store as the best driving channel to purchase decision, which further proves the relevance and significance of physical retail medium. In accordance with the phenomena, previous researches such as done by Spies et al. (1997) and Hefer and Cant (2013) fundamentally highlights the

relevance and importance of a retail store, both researches indicate that the physical retail environment subconsciously affects decision making and impulsive purchase decision, which only be possible within direct interactions through the physical retail environment. In which other selling channels such as e commerce and or website might not necessarily and or extensively possess.

Physical channel perceived as the most direct touch point with a brand and its products, which involves emotional states generated from real time interactions. The physical store is also considered as a visual medium of a brand, useful for the retailers or brands to express values, messages, and convey a lifestyle directly to the customers, such as through visual merchandising. As contrast, not towards a display medium on which customer might be distracted by banners and other sorts of digital advertising from external and or other parties, which further emphasized the position and significance of physical retail channel as a medium within the digital age.

Visual merchandising explains how a brand extensively utilizes its physical retail channel as a medium to convey messages, images, and what is the brand all about throughout the deliberate composition of elements it chooses to coordinate and present within the physical spaces. Visual merchandising helps built a store overall atmosphere, as implied by Hefer and Cant (2013) visual merchandising will have an effect on customer emotion and behavior, customer might sometimes purchase products unconsciously in regards to their emotional states within the purchasing decision process. The extensive utilization of visual merchandising is well known within the apparel, lifestyle, luxury, and fashion industries. The

approach utilizes elements of visual merchandising to coordinate and create a specific enhancement within the physical spaces to the brands' advantages in order to convey messages and images, and it is not a new concept neither it is a newly developed approach.

The practicality and implications of Visual Merchandising triggers authors' interest and curiosity, on how the approach and relationship might works within other landscape, such as furniture retailers. As the approach of extensive visual merchandising is not well associated within other industries as well as within fashion and luxury landscape. Meanwhile, the effects of the visual merchandising appeal whether purposively being utilized or not, help explain why some specific retail store and or brand attracts specific customer attention more than the others. As the elements within the visual merchandising projection is what 'enticed' customer to revisit, especially when it implies a pleasant set of experiences (Farese et al., 2009). In which furthermore explains the emotional and behavioral effects to customer, which in the long term might also generates attachment towards a brand.

The questions brought authors' attention towards IKEA, specifically IKEA retail space, which was such a big hit in term of popularity when its first opened in Indonesia. As its introduced a way of presenting its products and visuals, as never seen before within the respective furniture retailing business in Indonesia. IKEA is unique as they present the products within a segmented exhibition like showroom within the retail space, in which in house curation of assembled products provided the customer with an interactive way of observing and interacting with the products in real time. This interactive presentation also is unique as it is a contrast to most

furniture retailers, where notices which limits customer interactions with the products mostly found (ie. “DO NOT SIT ON THE DISPLAY BED” and “DO NOT TOUCH” signs). A statement by Štursa (2009) touch on the aforementioned idea towards IKEA, with a well-integrated composition of visual merchandising within IKEA retail spaces, as customer get or have been in the store, they have some certain and specific images of the store, and mostly positive images towards the brand.

The underlying idea to that the research specifically oriented towards the implication of extensive visual merchandising application within furniture retailing, proposed as the current body of knowledge regarding the topic are dominated mostly by the previously mentioned industry such as fashion and lifestyle. Meanwhile, the visual merchandising aspects whether purposively utilizes or otherwise are apparent beyond the restraint of the aforementioned industries. Study such as done by Burns and Neisner (2006), indicates that both cognitive and emotive based aspects of a retail settings are highly influential towards customer pre- and post-purchase satisfaction, which are another determinant factor that influence customer purchase decision evaluation within the larger consumption process.

Placing both aspect into perspective shows that as cognitive and emotive based factors within the context can be generated through the influence of visual merchandising and customer emotional states respectively. Extensive research within the topic such as from Hefer and Cant (2013) and Štursa (2009), including the previously mentioned research from Burns and Neisner (2006), only examines

more specifically on how the approach affecting either behavioral aspect of customer (which a wider concept emotional states part of) and or the implication in purchase/s. Meanwhile, the idea of putting the relationships into a grander perspective which involves each and every core and or derived concepts, are not yet extensively explored.

Author therefore, finds that the fundamental interest to the topic can be further explored and initiated, to an extent of which accommodate both authors' interest as also bridging the apparent gap in which supposedly intertwines the relationships. As also an extensive study specifically dealt with the ideas within a retail context such as done by Spies et al. (1997), were completed decades ago. In which might not be significantly as relevant in the context of implication and occurrence as it was, within the continuously evolving customer, business, and communication condition.

With authors' interest of understanding how within a grander perspective the approach of visual merchandising within the context of furniture retailing may affect customer purchase decision, and to what extent the role of customer emotional states as a mediating variable within the relationship. IKEA is deemed a perfect research object as the focus study to the regards of the research topic, as IKEA provides certain unique elements in which well deemed to accommodate the specific needs and depths of the research. With that in set, therefore the research is titled *"THE EFFECTS OF VISUAL MERCHANDISING ON PURCHASE DECISION AND THE ROLE OF EMOTIONAL STATES AS MEDIATING VARIABLE (A STUDY ON IKEA INDONESIA)"*.

1.2 The Research Problem

1. Does IKEA Visual Merchandising affect customer Emotional States?
2. Does IKEA Visual Merchandising affect customer Purchase Decision?
3. Does IKEA's customer Emotional States affect Purchase Decision?
4. Does IKEA Visual Merchandising affect Purchase Decision through the customer Emotional States?

1.3 The Research Objectives

1. To understand, analyze, and confirm the effect/s of Visual Merchandising on Emotional States.
2. To understand, analyze, and confirm the effect/s of Visual Merchandising on Purchase Decision.
3. To understand, analyze, and confirm the effect/s of Emotional States on Purchase Decision.
4. To understand, analyze, and confirm the effect/s of Visual Merchandising on Purchase Decision through Emotional States.

1.4 The Research Significance

1. For Author

The research is expected to give author an extensive insight and understanding on the subject, in addition to further sharpen, utilize, and enhance knowledge and skills author has gained throughout the studies.

2. For Academic

The result of this study is expected to be a valuable addition to enrich the resources, references, body of knowledge, and extensive academic-educational application of management sciences.

3. For Entity/Company

The result of this study is expected to be a resourceful addition of information and insight to the industry/business and company's future operation related to the means of Visual Merchandising and Emotional States influence on Purchase Decision.

CHAPTER II

THEORETICAL FRAMEWORK

2.1 Marketing

2.1.1 Definition of Marketing

Marketing is one of the fundamental elements in a business operation, it is an act or set of actions of transferring a proposed value and concept to a potential market segment and or customer by a variety of different means and medium.

According to American Marketing Association (2013), the formal definition being *"marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customer, clients, partners, and society at large"*. In regards of the activity therefore, an entity may put considerable amount of resources in order to gain desired responses, which in most cases will be customer responses which implies in awareness, interest, feedback, purchase/s and etc.

2.1.2 Concept of Marketing

Marketing concept is an idea explaining how a business entity have to identify, analyze, and act with the orientation of and to customer needs to satisfy those needs better than its competitors. The earliest note of the concept traced back to *The Wealth of Nations* by Adam Smith proposed in 1776, which implied that producers needs and approaches should only be oriented and implemented in regards of fulfilling customer needs (Smith, 2003).

The philosophy is consistent with the post-World War II customer centered shift in business, which explains how the approach of straight 'make and sell' no longer adamant. The marketing concept holds the key on achieving overall organizational objectives. As company being more effective and in course to creating, delivering, and communicating superior value to customer within its target markets (Kotler and Keller, 2016).

2.2 Retailing

2.2.1 Definition of Retailing

Retailing is a business or set of business activities, explaining the act of sale of products from one point to end users, through a variety of different channel. The activity adds value to products, which includes breaking bulk, assortment, inventory, and addition of service (Farfan, 2017). The single point of transaction therefore can be brick and mortar store, e commerce website, catalogue, or mobile app (Farfan, 2017).

2.2.2 Types of Retailing

The many types of retailing according to Farfan (2017) can be divided as:

1. Department Store: Selling a wide array of products, arranged and segmented within a category of the product type itself within a retail space. Such as shoes and shirts in garment space, or perfume and skin care in cosmetic space.

2. Grocery Store and Supermarket: Selling a wide array of foods and beverages related goods, with some have selections of electronics and home products.

3. Warehouse Retailer: Selling a wide array of products within a larger quantity and lower price.

4. Specialty Retailer: Selling a wide array but specific type of product/s. Such as Toy retailer, Sportswear retailer, Furniture retailer, or Stationary retailer.

5. Internet E-retailer: Selling a wide array and or specific type of product/s. This type can be an extension of a chain or a brand, as well as might operates entirely without any physical store, and typically sells lower than 'retail' price.

2.2.3 Factors Assisting to the Choice of Retailer

The relationship between a company and customer will have a different extent which differs one to another, in regards with the customers' specific needs, resources, and or preferences. As customer might tried out purchasing from more than one company, entity, and or brand to fulfill it needs on a specific product, for example on different occasions trying a different grocery store. There are substantial differences between repetitive buying based on convenience, non-emotive factors like price, and cases when a customer return to the same company or brand as its holds special and or specific attachment for them (Štursa, 2009).

As implied by Barnes (2003) factors that contribute to the choice of retailer are access, convenience, suitability, quality of products, value for money, competency, and communications. The aforementioned factors are a determinant of repetitive and continuous visit. Barnes (2003) also implied that goals, interest, common history, and attitudes as more of some emotive based factors as an output

or driving force to the choice of a retailer. When all the factors exist, it contributes to emotional loyalty, which may lead to customer being resistant to other similar competitors (Barnes, 2003). Therefore, not only the factors will be a determinant on customer preference of retailer, it also can be a measure of how important a retailer, company, or a brand is to an individual.

2.2.4 Customer Experience in Retail Environment

Retail business operations are traditionally viewed as such a general and direct business operation which solely focus on the products. Meanwhile, as the industry grows and competition arises, retailers started to market their business as an actual brand to distinguish themselves within the competition, instead of just passively a platform for selling end-user products. Wikström (1996) implied that besides offering products and services, retailer should get involve more on customer interactions and create an experience.

Therefore, non-extensive value creating process such as selling the same mass-produced products, may deemed unfavorable and easily overlooked from a customer perspective. When the feedbacks are actively taken into account therefore, customer will take part in the fundamentals of value creating process (Wikström, 1996). Retailer therefore, can provide an experience by offering a different array of brands, products, exclusives, to hosting an interactive in store activities and or promotions.

2.3 Visual Merchandising

Retailers, in order to be successful and stand out within the competition needs a distinct and consistent image that is shaped within the customers' consciousness. This image should be able to be integrated throughout all of the company's and or brand's products and offerings. As implied by Bastow-Shoop et al. (1991), Visual Merchandising explain a company marketing attempt/s, which also helps to generates impulsive purchase decision.

Visual merchandising is everything the customer sees, both exterior and interior, which creates specific and or distinctive image of the business and resulting in attention, interest, desire and action on the customer side (Bastow-Shoop et al., 1991). It presents to the customer what the brand and business is all about. Bastow-Shoop et al. (1991) also implied that these features build the store overall atmosphere. As positive experience will attract customer to revisit, merchandisers have to consider the deliberate composition of the four key elements to achieve the goals, in which includes storefront, store layout, store interior, and interior display (Farese et al., 2009).

1. Storefront: Is the exterior of a business. It covers sign, logo, marquee, banners, awnings, windows, the exterior design, ambiance, and landscaping. Storefront express the brand identity and helps the company to be distinguishable and differentiate itself from competitors and nearby stores (Farese et al., 2009).

2. Store Layout: Explain how a retailer utilizes its floor spaces to facilitate the business operations, serve customers, and promote sales. Store layout are divided within four areas, which are selling space, storage space, personnel space, and customer space (Bastow-Shoop et al., 1991).

3. Store Interior: Bastow-Shoop et al. (1991) implied that consistency of the core theme and image has to be presented and integrated well throughout the exterior as well as interior. The extensive presentation and utilization of store interior is directed to increase the desire for the goods, present what is available, and encourage both impulsive and planned purchase/s (Štursa, 2009).

4. Interior Display: Is what a business chose to present and coordinate within its store interior. Farese et al. (2009) proposed that a well arranged interior display allow shoppers to make a quick selection without the assistance of a store clerk. As it is especially apparent and significant in modern days' self-service and convenient store space. There are five kinds of interior display: closed display, open display, architectural display, point of purchase display, and store decorations.

2.4 About IKEA

2.4.1 History of IKEA

IKEA is a Swedish – Dutch based multinational corporation that designs and sells ready to assemble furniture, home and kitchen appliance, and home accessories. IKEA initially founded in Sweden in 1943 by Ingvar Kamprad (founded when he was 17). IKEA started as a small locally operated furniture dealer, which during the period of 1940s to 50s era of furniture development and self-assembly, Ingvar Kamprad started to develop IKEA into a furniture retailer.

By the period of 1960s towards the 80s, IKEA has started to design its own furniture products, and the expansion outside of Sweden and Europe saw the foreground of modern day IKEA people around the world is familiar with today. As by the end of fiscal year 2017, IKEA owns and operates 355 stores in 29 countries, including Indonesia (IKEA, 2018a). According to Forbes, since 2008 IKEA ranked in and still is the biggest furniture retailer in the world (Loeb, 2012).

2.4.2 IKEA General Information

Figure 2.1 IKEA Company Logo

Source: (www.ikea.com, 2018)

Company Name: IKEA
Website: www.ikea.com
Type: Private Company
Founded: Sweden, 1943
Business Field: Furniture Retailer
Headquarters: Delft, Netherlands
CEO: Jesper Brodin
Chairman of Supervisory Board: Lars-Johan Jarnheimer
Accumulated Revenue: 35 Billion Euros
Stores Count: 355 Stores
Personnel Count: 149 000 Individuals

2.4.3 IKEA Indonesia Information

IKEA Alam Sutera is IKEA's first established store in Indonesia and as part of IKEA 40 stores in Asia. Opened in October 2014 within a 35 000 square-meter lot next to Jakarta-Merak toll road. With entry access through Kunciran exit towards the exact address of JL. Jalur Sutera Boulevard No. 45 Alam Sutera, Tangerang.

The store was built based on the now iconic IKEA visual designs, with the flagship big blue and yellow building IKEA is well known for worldwide.

IKEA Alam Sutera initially featured over 7 000 home furnishing products, 55 interactive room setting displays, and three complete settings built to the size of a normal house, apartment, and a studio. IKEA Alam Sutera is operational 7 days a week starting at 10 00 AM, with 400 trained personnel allocated within the Alam Sutera Store (IKEA, 2018b).

2.4.4 IKEA Visual Merchandising

IKEA Visual Philosophy

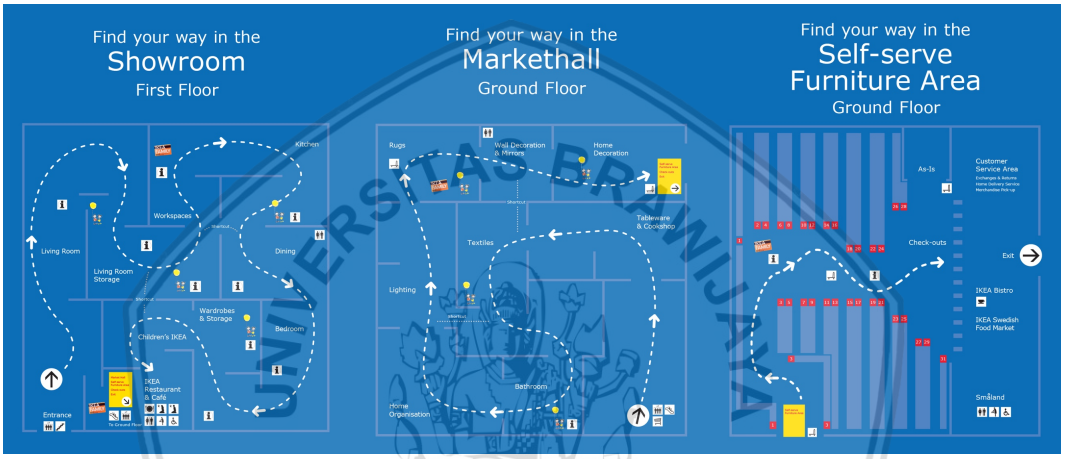
"IKEA products are developed through a 'democratic design' approach where form, function, quality, sustainability and low price are all integrated within the product, and are friendly for everyone" as quoted from Alan Buckle, IKEA Indonesia store manager (IKEA, 2014). The core idea is shared throughout the root of IKEA design and business philosophy, where the idea of 'make a better everyday life for many people' translated to each of IKEA's design elements. Which are also integrated equally throughout IKEA brand image and products. This integration has led to consistency of the image of IKEA, its store, its company, and the products itself.

IKEA Storefront

IKEA storefront design are well known to be simplistic, big, blue, and yellow in coloration. The traditional image of IKEA storefront is as well as

integrated within its first Indonesia store. This design has proven to be easily and consistently remind customer towards IKEA as a brand, which is effective as it is attractive. As it is also stay true to its design philosophy and a nod to IKEA Swedish heritage (blue and yellow coloration) (Štursa, 2009).

Figure 2.2 IKEA Store Layout



Source: (www.ikea.com, 2018)

IKEA Store Layout

IKEA Store Layout is designed in ways that customer led through the entire retail space without missing in any department. This exhibition like design is shared throughout IKEA store around the world. Customer are supposed to follow the one-way route within IKEA entire retail space, which include the interactive room setting display showroom space, markethall, and self-service inventory space where customer can actually pick up the desired products.

"The way IKEA's furniture is represented with tips and ideas throughout the store to solve common needs in common activities, this brings out inspiration

and solutions to create a better life" said Alan Buckle, IKEA Indonesia store manager (IKEA, 2014). The approach can be useful and effective to the means of visual merchandising and communicating design language to customer, as it is also what distinguish IKEA from the 'traditional' category based display space associated with furniture retailer. On the other hand, worth noting the designs could be as well deemed as unfavorable. As implied by Štursa (2009) the approach can be uncomfortable when customer just look for and know the products they are after. Which might translate to inefficiency, exhaustion, redundant time consumption, discomfort, and or ineffectiveness.

IKEA Store Interior

IKEA's ways of presenting its products within a curated interactive showroom style display (dubbed room setting display), is what distinguish IKEA from other furniture retailer. The way of presenting its products increase customer interaction, attraction, and desire towards the products, either planned or un-planned, as it projects how the products might look like when applied on itself or with other products. Moreover, within the showroom display, customer might see a similar product placed within several different arrangements, products, and or style. Which might spark inspiration and unintentional-unconscious attachment which led to impulsive and or bundle purchase/s.

IKEA Interior Display

Implied by Štursa (2009), the best way to sell a product is to let customer actually see the product 'in action', let customer interact and connect with the

product, and makes them think they have to own the product. The underlying fundamentals of the idea translated well within IKEA interior display approach, which within the showroom styled store interior with variety of curated products, customer will not only be able to see, but also interact with the products. Within this approach customer might be able to interact and relate with the products in real time, therefore might led to an attachment and or impulsive-unplanned purchase/s.

2.5 Consumer Behavior

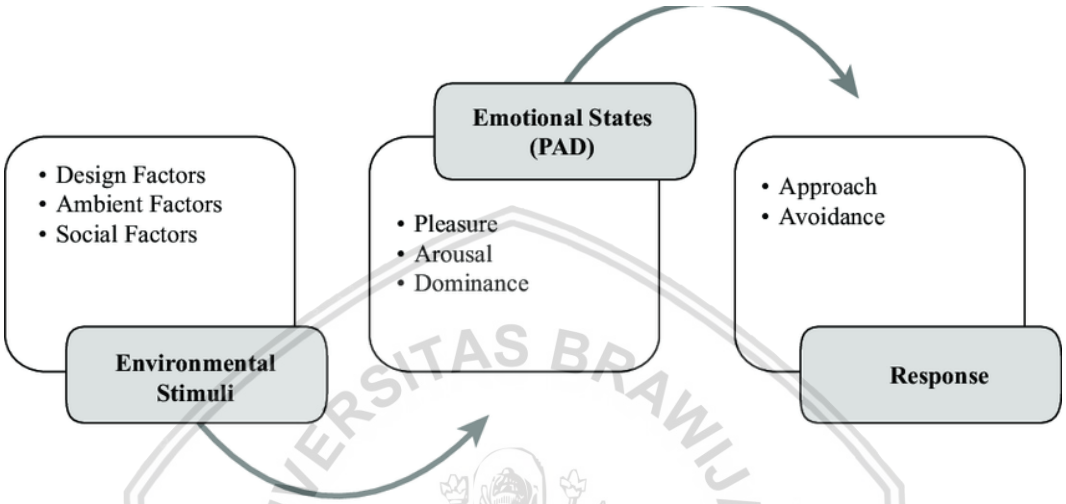
According to American Marketing Association (2017), defines consumer behavior as a "*dynamic interaction of affect and cognition, behavior, and the environment by which human being conduct the exchange aspect of their lives*". It can be said that consumer behavior involves the cognitive and emotional aspect, in which people, in this case customer experience within the set of consumption process. Therefore, it is constantly varying and dynamic one to another individual.

2.6 Customer Emotional States

Emotional states is an abstract concept that constantly changing overtime, even within the same individual in a relatively close period of time. Although it might be difficult to be exactly and precisely measured, it is a determinant factor within the set of consumption process. Implied by Mehrabian and Russell (1974), customer emotions will drive customer into varieties of decisions. By using the Stimulus Organism Response (abbreviated as SOR) model proposed by Mehrabian and Russell (1974), further studies shows that the atmosphere of the environment

where the exchange is taking place will have substantial variation of stimuli which affects customer decision making (Baker et al., 2002).

Figure 2.3 Mehrabian and Russell SOR Model



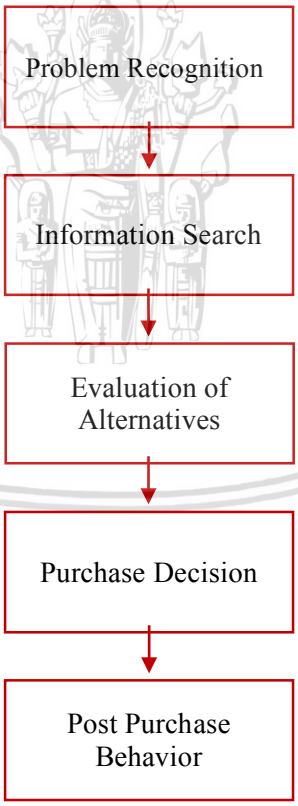
Source: (Richardson et al., 1996, pp.19-28.)

Several researches, such as study from Dawson et al. (1990) and Bitner (1992) presented a conclusion that a retail products are evaluated more positively within an environment projecting pleasant and favorable emotional responses. Emotional states therefore deliberately influence what is and when is purchased. In which helps elaborate how a customer mood might impact/s the amount of resources spent on impulsive purchase/s (Gardner, 1985).

2.7 The Purchasing Decision Process

Customer purchasing or buying decision process is gradual steps in which customer went through on the consumption process of product and or service (Kotler and Keller, 2016). According to Kotler and Keller (2016), customer firstly will realize an unsatisfactory need/s, which lead to the information gathering on how to satisfy those specific need/s. Customer then evaluate the available options and how they can afford each option, before finally decided on purchasing the preferred option, in the 4th step which is Purchase Decision.

Figure 2.4 Five Stages Purchasing Decision Process



Source: (Kotler and Keller, 2016, p.195.)

2.8 Types of Purchase Decision

There are three types of purchase decision according to Levy et al. (2013), in which divided as:

1. Extended Problem Solving, is a purchase decision when a customer devoted a considerable amount of time and efforts to analyze alternatives. Typically involves risk and uncertainty.

2. Limited Problem Solving, is a purchase decision involving moderate amount of time and efforts. Typically involves prior experience with the product.

3. Habitual Decision Making, is a purchase decision where a customer put little to no conscious efforts. Typically involves repetitive purchases and or loyalty to a brand or product.

2.9 Previous Researches

Core theories utilized within the research includes Visual Merchandising theory, Purchase Decision theory, and Emotional States theory. Curations of previous studies with similar and or related focus and or approach therefore being utilized as a reference in regards of the research subject.

This study refers to the theories and findings of these previous researches to deepen understanding, broaden insights and perspective, prevent repetition, and to support the basis of constructing a research model and conceptualized framework. The curation of previous studies therefore presented as follows:

1. The Influence of IKEA Store Appearance on Customers' Shopping Behavior by Štursa, P. 2009:

The research examines how the manipulation of Artistic Design as an extension within the composition of Visual Merchandising affecting customer Shopping Behavior. The finding shows that through visual merchandising which involves the manipulation of artistic design elements, directly affect customer behavior and willingness to buy a product.

The research was selected based on how it is able to provide depth to the very fundamentals of visual merchandising theory, specifically as it is oriented towards IKEA. In which enabled through the descriptive approach by extensive observation and survey utilized on the research. In addition, the variable shopping behavior were derived from a larger concept that is customer Purchasing Decision Process. In which provides more contextual perspective, as this study proposed the variable Purchase Decision which is directly derived from as part of the same concept.

2. Customer Satisfaction in a Retail Setting: The Contribution of Emotion by Burns, D. J. and Neisner, L. 2006:

The research observes how the evaluation of emotion within a retail setting influence pre- and post-purchase customer satisfaction. The variable Emotion used is a larger and more abstract compared to this study Emotional States variable, in which more of a response toward the retail settings itself. However, in addition of the similar setting (retail) orientation, the customer satisfaction which evaluated pre-purchase/s helps set this study Purchase Decision variable into perspective.

As the research findings implied that emotion, which on itself made up of several aspects which similar to that the variable emotional states, has a contribution to pre-purchase customer satisfaction, which led to an actual purchase/s. Meanwhile, the findings also suggest that cognitive evaluation to contribute more compared to emotion, which within this study helps set both variable visual merchandising and emotional states into place. As the two variable is proposed to be the aspect that will have the more cognitive and emotive based influence within the proposed relationship of this study respectively.

3. Visual Merchandising Displays' Effect on Consumers: A Valuable Asset or an Unnecessary Burden for Apparel Retailers by Hefer, Y. and Cant, M. C. 2013:

The research examines how within apparel retailers visual merchandising approach specifically influence consumer to the decision-making extent. The finding shows that visual merchandising guides customer on subconscious level to the direction of products they are seeking, therefore also guides their decision making. The research is deemed essential to this study as its provides the most recent and closest available insight and perspective on how this study proposed relationship might actually actualized on a different sector yet similar setting.

In addition of both visual merchandising and the retail setting utilized, the research used the variable Consumer Behavior, in which a concept which also applied in this study. As the variable Emotional States, specifically is a direct derivation of the aforementioned concept. As also how the behavioral implication to decision making, is a core concept utilized in this study, as it is parts of the larger concept of Purchasing Decision Process, which this study Purchase Decision

variable is derived from as intended to a more specific evaluation within the whole process. Therefore, the research provides conceptual insight and perspective which extensively helps frame this study proposed relationship into place.

4. Store Atmosphere, Mood and Purchasing Behavior by Spies, K., Hesse, F. and Loesch, K. 1997:

The research examines how store atmosphere influence purchasing behavior through the customer mood as mediating variable. In which findings shows that within a pleasant store environment, customer impulsively spent more money on products. Through the customer mood as a mediating variable. Despite of the considerable gap in regards of the research completion in 1997, the research is deemed relevant to support and frame this study theoretical body as it is the currently available extensive study with similar focus which specifically applied an emotive based aspect as a mediating variable.

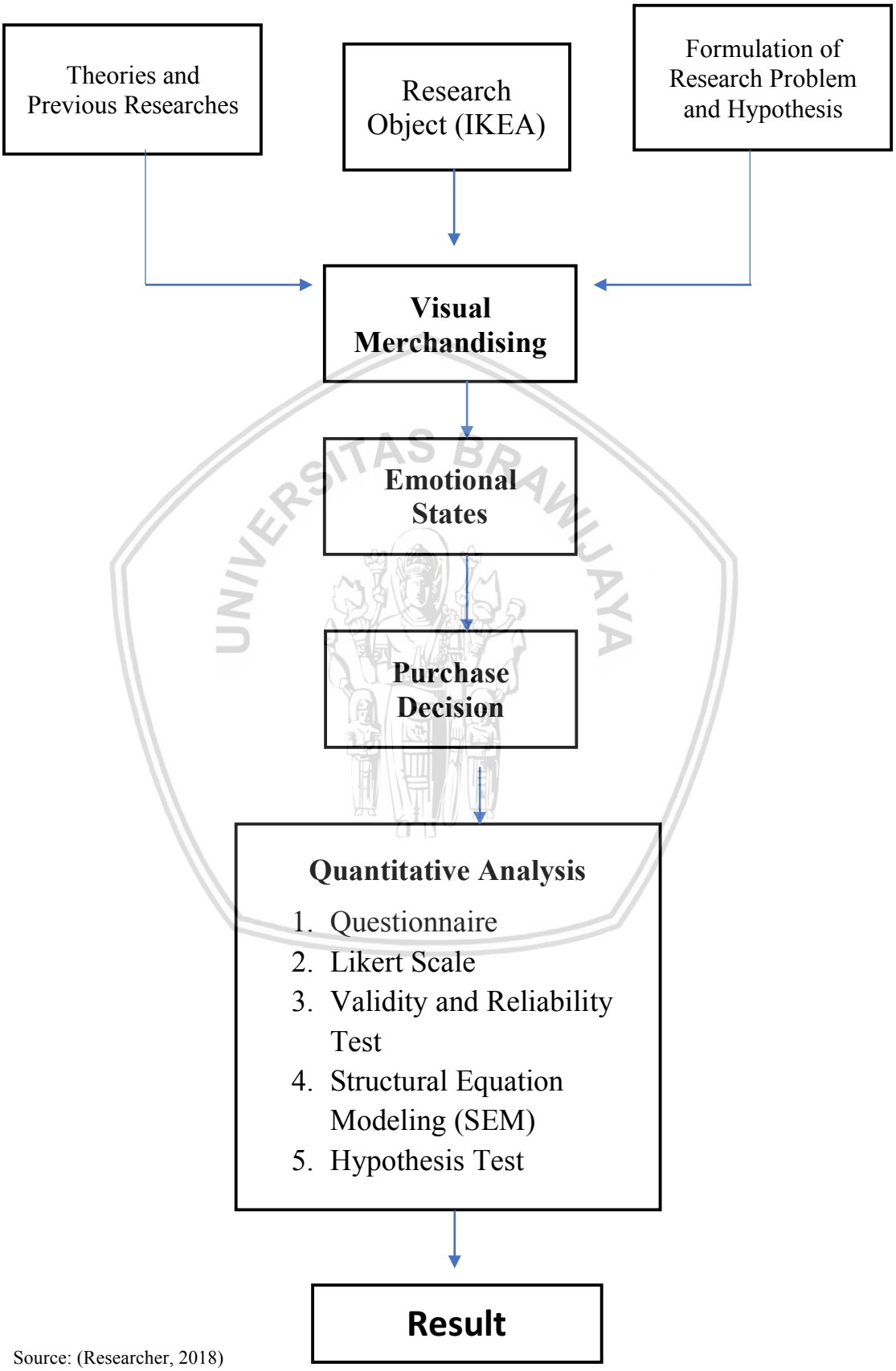
In addition, as implied previously the visual merchandising variable utilized in this study are fundamental aspect in building a store overall atmosphere, in which in parallel a variable utilized in the research. As also purchasing behavior which is a theory derived from the larger concept of Consumption Process, in which also where this study purchase decision variable derived from. Therefore, provides a perspective into a similar conceptual scope despite of how the extent might differ. The research therefore, helps this study on conceptualizing the proposed relationship as also provides a fundamental theoretical basis within a similar setting.

Previous researches related to the subject summarized as follows:

Table 2.1 Previous Researches

No	Title and Researcher/s	Variables	Method	Findings
1	The influence of IKEA store appearance on customers' shopping behavior. Štursa, P. (2009).	-Artistic Design -Visual Merchandising -Shopping Behavior	Descriptive	Findings shows that through visual merchandising which involves manipulation of artistic design elements, will affect customer behavior and willingness to buy a product.
2	Customer satisfaction in a retail setting: the contribution of emotion. Burns, D. J. and Neisner, L. (2006).	-Emotions -Customer Satisfaction	Regression Analysis	Findings shows that emotion has a contribution to customer satisfaction. Meanwhile, findings also suggest that cognitive evaluation to contribute more compared to emotion.
3	Visual merchandising displays' effect on consumers: a valuable asset or an unnecessary burden for apparel retailers. Hefer, Y. and Cant, M. C. (2013).	-Visual Merchandising -Consumer Behavior	Regression Analysis	Findings shows that visual merchandising guides customer on subconscious level to the direction of products they are seeking, therefore also guides their decision making.
4	Store atmosphere, mood and purchasing behavior. Spies, K., Hesse, F. and Loesch, K. (1997).	-Store Atmosphere -Mood -Customer Satisfaction -Purchasing Behavior	Regression Analysis	Findings shows that within a pleasant store environment, customer impulsively spent more money on products. Through customer mood as a mediating variable.

2.10 Research Framework



Source: (Researcher, 2018)

2.11 Hypothesis

Hypothesis according to Sekaran and Bougie (2013) is a tentative yet testable statement, which forecast what expected to be found in the empirical data. Therefore, based on the previously listed theories, findings of similar researches, and formulated research problem, the hypothesis of the research is arranged as follows:

H1: IKEA Visual Merchandising has a direct positive influence on Emotional States.

One of the underlying idea of the research subject is how within a physical retail setting, emotive based stimuli are generated and felt as a reaction to the environment itself. In which the significance felt, directly influenced by how extensive the customer perceived the composition of aspects present within the retail environment. Spies et al. (1997) proposed that a pleasant and well perceived store atmosphere will stimulate an equally favorable customer mood and satisfaction.

In addition to a statement of Farese et al. (2009), which implied that visual merchandising which built the store overall atmosphere is what enticed customer emotionally within the retail environment. The aforementioned propositions therefore, fundamentally frame and put the hypothetical idea into perspective. In which proposed that there is a direct positive influence of visual merchandising on emotional states felt within IKEA retail environment.

H2: IKEA Visual Merchandising has a direct positive influence on Purchase Decision.

One of the proposed idea entails to that the visual merchandising aspect and composition in which presented within a retail environment, directly influence the customer purchase decision evaluation. As visual merchandising, able to accommodate the cognitive needs to that a customer has, therefore the purchase decision will be affected to that same extent. Burns and Neisner (2006), proposed that in contrast to how significant the emotive based influence felt within a retail setting, ultimately a cognitive based aspect present and apparent within the environment is what leads to both pre- and post-purchase/s customer satisfaction.

Therefore, proposed that the coordination of elements of visual merchandising which helps direct customer to the non-emotive based decision making, such as through Store Layout and Store Interior aspect as proposed by Bastow-Shoop et al. (1991), is more influential compared to what its emotively stimulate. The aforementioned propositions therefore, fundamentally frame and put the hypothetical idea into perspective. In which proposed that there is a direct positive influence of visual merchandising on purchase decision evaluation within IKEA retail environment.

H3: IKEA's customer Emotional States has a direct positive influence on Purchase Decision.

One of the proposed idea entails to that the emotive based factors to which the customer felt within a retail environment is affecting their evaluation of purchase decision. Therefore emphasizes, that the more favorable emotional states

felt within the retail environment will positively affect the purchase decision evaluation. Spies et al. (1997), implied that within a pleasant store environment customer tend to impulsively spent more money on products. Which help emphasized further that the emotive influence was directly perceived and evaluated, as the proposed concept of 'impulsive' entails to that no pre-determined plan and or further cognitive evaluation made. The propositions therefore, fundamentally frame and put the hypothetical idea into perspective. In which proposed that there is a direct positive influence of emotional states on purchase decision evaluation within IKEA retail environment.

H4: IKEA Visual Merchandising has an indirect positive influence on Purchase Decision through the customer Emotional States.

One of the research fundamental idea and proposition is that within the proposed relationship, not only each of the variable interact with one another separately. The variables also influence one through another, specifically the indirect influence which affecting purchase decision evaluation through the perceived emotional states, which originated from the aspect of visual merchandising evaluated within the retail environment. A research done by Hefer and Cant (2013), shows that visual merchandising guides customer on subconscious level to the direction of products they are seeking, therefore also guides their decision making. The result implies to that visual merchandising in which largely a cognitive based aspect influence decision making, in which filtered through a subconscious behavioral aspect that is partake in a grander concept of Consumer Behavior. In which one of the variable used in the research.

The proposed relationship of this study which applied Emotional States as a mediating variable therefore, contextually can be evaluated in parallel. Especially since emotional states is directly derived from the aforementioned concept. In addition, Spies et al. (1997) suggest that within a pleasant store environment, customer impulsively spent more money on products. Through the customer mood as a mediating variable. Which further highlights that aspects within visual merchandising composition which in the context of this study made that of the store atmosphere and environment, are evaluated through emotive based factor in regards of how significant the influence is towards the decision-making evaluation. Specifically, the customer Purchase Decision.

The propositions therefore, fundamentally frame and put the hypothetical idea into perspective. In which proposed that there is an indirect positive influence of IKEA visual merchandising on purchase decision evaluation, which are perceived and evaluated through the customer emotional states felt within IKEA retail environment.

CHAPTER III

RESEARCH METHODOLOGY

3.1 Research Type

This research is designed to the means of seek out, analyze, and expand the understanding of the proposed subject. To discover, develop, and verify a phenomena, event, and knowledge by utilizing scientific method/s. Therefore, based on the formulation of the research problem and objectives, the type can be classified as explanatory research. According to Sugiyono (2017), explanatory research is a type of research in which intent to describes the causal relationship between variables through the testing of hypothesis. In the implementation, the type utilizes an approach of a survey, a method of research that attempt to describes a phenomenon by analyzing the relationship between research variables (Sugiyono, 2017).

3.2 Research Location

The research is conducted with a classified scope, which require specific source of data attributed to people which have previously visited and made in-store purchase/s from IKEA, within Tangerang area. Which were chosen with considerations' of where the object of the focus study, IKEA Alam Sutera store is located. Therefore, the research location is Tangerang area.

3.3 Data Types

The research utilizes two kinds of data, categorized based on how it was obtained:

1. Primary Data:

   Primary data refers to the information collected first hand by the researcher, associated with the variable of interest to the specific purpose of the research (Sekaran and Bougie, 2013). This study collects information through medium such as questionnaire, in which raw data are processed further in accordance to the specific needs of the research.

2. Secondary Data:

   Secondary data refers to the information obtained from existing sources within the time period of the research. The data typically obtained from archives of related previous researches, reports, books, thesis, articles, websites, and or journals (Sekaran and Bougie, 2013). The data therefore, is an important source of information in which the study utilizes as it is and or processed further to the specific needs for the research.

3.4 Data Collection Technique

The research utilizes the following data collection techniques:

1. Questionnaire

   Questionnaire is a list of written statements and or questions which have previously defined for the intended participants to answer, typically within some clearly defined alternatives (Sekaran and Bougie, 2013). The collection of information was done by distributing the list of

questions to the intended respondents in order to obtain written responses related with the subject.

2. Literature Review

   Literature review is a data collecting from various media and archives such as research journals, books, articles, websites, and etc. in which data and or information collected is deemed to be relevant and significant in regards to the research subject (Sekaran and Bougie, 2013).

3.5 Population and Sample

3.5.1 Population

Population is a composite of all elements which shaped the event or phenomenon, things or people that have similar characteristics to the attention of the researcher (Ferdinand, 2014a). According to Sugiyono (2017) population is the generalization of area comprising an object or a subject that has certain qualities and characteristics, which determined by researcher to be analyzed and drawn conclusion from. As the survey don't require the examination of each and every individual part of a population.

The population of the research is the people within Tangerang area, in which where the IKEA Indonesia store is located. As not all the population will and can be used, respondent is required to meet the specific arrangement of criteria as to be the subject of the sample as explained within the following section.

3.5.2 Sample

Sample is parts of population, in which sample taken is a representation of the population. Therefore, examining parts of a population are expected to represent and describe the actual results which can be extracted from the population (Sekaran and Bougie, 2013).

By the utilization of Structural Equation Modeling (SEM) approach, as Hair et al. (2010) implied, the sample size should be 10 to 15 respondents per Parameters of Interest, with a recommendation to comprise of at least 200 samples as a sample size. Therefore, a sample size of 300 were collected and utilized for the research.

3.6 Sampling Technique

The sampling technique applied in the research is Non-Probability sampling. According to Sekaran and Bougie (2013), non-probability sampling is a sampling technique in which each element of the population does not have equal probability of being selected to be the subject sample of the population. This purposive sampling is selected based on considerations to the specifics, attributed to the sample requirements in accordance with the specific purpose and intent of the research. The criteria respondent required to meet therefore, are the followings:

1. Respondent are people whom a resident, visitor, and or have an active routine within Tangerang area.
2. Respondent with the minimum age of eighteen (18) years old.
3. Respondent have previously visited IKEA Alam Sutera store.

4. Respondent have previously made a purchase/s from IKEA Alam Sutera store.

Each and every of the criteria were arranged based on the specific scope and intent of the research. The particular requirement of people within Tangerang area, which in details entails to more than one specific group of intent, background, and or residential status. Selected with consideration to that of people which might have activity and or active routine within Tangerang area, are not necessarily group of people which have residential ties to the area. Specifically putting that the area which outside of a residential location are university, business, and industrial dense environment. Therefore, furthermore emphasized that the 'people' whom actively within are not always necessarily people which have residential ties and or not originated from outside of the locational constraint.

The minimum age of eighteen years old (18) were selected based on the considerations that it is currently the legal age in Indonesia regulation, which then are entirely acknowledged legally by the law, therefore able to participate in the observation responsibly. Outside of the legal background, the age criteria were also deliberately considered in relation to the aforementioned condition of the first criteria. The condition which entails to that Tangerang area are university dense location, which composed of several well-known and globally acknowledged private university such as UPH, UMN, and Binus University to mention some.

This condition therefore, generated a market segment consisted of university students, originated not only from outside of the area, but also came in from overseas. In which are in demand for furniture and home appliance products.

The students which are started in university as early as the age of 17 and commonly around the age of 18 to 20, are mostly a renter of an accommodation unit in several variety of forms. As many of private housing unit and other form of accommodation within the area does not provides a whole set of necessary appliances to renter, therefore implicate in the demand of a furniture products. Especially putting the modular self-assembly type of products IKEA provides and specific individual needs and or preferences into further consideration.

Respondent also has to have a previous experience with IKEA Indonesia, which entails to that an in-store visit and a purchase/s in order to participate in the observation. The criterion is essential as not only to that IKEA Indonesia is the research object, as also in order for respondent in this context customer to be able to perceives and evaluates the variable Visual Merchandising. In which can only be possible to be measured through direct physical experiences within the retail environment. As well as in store purchase/s which entails to that enabled the Purchase Decision evaluation to be extensively and precisely measured, with the fundamental to that whether or not the decisions were made based on the influence of the evaluation of either Visual Merchandising and or Emotional States. Therefore, if whether the causal relationship/s is measured negatively and or positively can be extensively and accurately examined.

3.7 Operational Definition

3.7.1 Research Variable

The research utilized the aspects of *Visual Merchandising* as an independent variable which identified as (X1), *Emotional States* as a mediating variable which identified as (X2), and *Purchase Decision* as a dependent variable, identified as (Y).

3.7.2 Visual Merchandising

The independent variable of the research. Visual merchandising is everything the customer sees, both exterior and interior, that creates a certain image/s of the business and or brand which resulting in attention, interest, desire, and action on the customer side (Bastow-Shoop et al., 1991). According to Farese et al. (2009), the indicators of visual merchandising are the followings:

1. Storefront (X1-1)
2. Store Layout (X1-2)
3. Store Interior (X1-3)
4. Interior Display (X1-4)

3.7.3 Emotional States

The mediating variable of the research. Customer emotional states can be defined as emotive based stimuli or feelings in which customer feels within the environment of a store during a consumption process (Mehrabian and Russell, 1974). According to Mehrabian and Russell (1974), the indicators of emotional states are the followings:

1. Pleasure (X2-1)

2. Arousal (X2-2)
3. Dominance (X2-3)

3.7.4 Purchase Decision

The dependent variable of the research. Purchase decision is a step in which customer went through on the consumption process of product and or service (Kotler and Keller, 2016). The indicators of purchase decision according to Mehrabian and Russell (1974) are the followings:

1. Approach Behavior (Y-1)
2. Avoidance Behavior (Y-2)

3.7.5 Mediating Variable

This study integrates a type of variable in which classified as Mediator/Mediating variable. A model consisting of a mediating variable can be classified as a mediation model, in which according to MacKinnon (2008), a model with an arrangement that includes a mediating variable further emphasized and examines the mechanism in which part of the observation of a relationship between independent and dependent variable.

Therefore, the model proposed that instead of influencing the dependent variable directly, the independent variable influenced the mediating variable before its correlates to the dependent variable (MacKinnon, 2008). The inclusion therefore provides a more elaborate analysis and helps clarify the mechanism and process, in which underlines the relationship between independent variable and dependent variable (Cohen et al., 2003). The mediating variable therefore, can either account

for the entirety or parts (some) of the observed relationship between the variables. In which can be classified into two types, which according to MacKinnon (2008), can be identified as follows:

1. Full Mediation

A full mediation occurs when the proposed relationship between the independent and dependent variable as its entirety can only be processed through the inclusion of the mediating variable. Therefore, without the mediating variable as a part of the construct, the relationship itself is no longer possible. This type of mediation is rarely occurring, as the actual relationship within the implication will be complicate with many more additional interactions.

2. Partial Mediation

A partial mediation occurs when the mediating variable only partake of some or parts of the proposed relationship entirety. Therefore, without the inclusion of the mediating variable, the relationship between the independent and dependent variable still occurs. Whether it will be less, more, or just as significant.

3.7.6 Mediational Hypothesis Evaluation

As elaborated within the previous section, the mediating variable of this study is Emotional States, identified as (X2). Therefore, hypothesis number four (H4) can be classified as a *Mediational Hypothesis*. As the hypothesis proposed an inclusion of a full mediation, by the definition of that the causal relationship as its entirety has to be evaluated with the integration of the emotional states variable as a mediator. Therefore, in order to examines whether or not the mediation falls into

the full or partial classification, the *Baron and Kenny's steps* requirement to test the mediational hypothesis were applied. The steps are presented as follows:

1. Examines to shows that the independent variable (Visual Merchandising), correlates with the mediating variable (Emotional States)

2. Examines to shows that the mediating variable (Emotional States), correlates with the dependent variable (Purchase Decision)

3. Examines to shows the 'full mediation' within the process. The effect of Visual Merchandising on Purchase Decision, with the variable Emotional States removed from the equation should be zero.

4. Therefore, if the result of the 3rd step shows anything but zero, entails to that Emotional States partake as a *partial mediation* within the relationship.

The correlations to be examines with Baron and Kenny's steps were evaluated by the regression value of each and every correlation, in order to confirm its respective predictor significance within the relationship (Baron and Kenny, 1986). Therefore, the values, in this study were derived and evaluated by the utilization of Structural Equation Modeling (SEM) approach.

3.7.7 Operational Definition Summary

The included concepts, variables, and indicators are summarized within the following table:

Table 3.1 Research Concepts, Variables, and Indicators

Concepts	Variables	Indicators	Identification	Sources
Visual Merchandising	Visual Merchandising	1. Storefront 2. Store Layout 3. Store Interior 4. Interior Display	X1-1 X1-2 X1-3 X1-4	Farese et al. (2009)
Consumer Behavior	Emotional States	1. Pleasure 2. Arousal 3. Dominance	X2-1 X2-2 X2-3	Mehrabian and Russell (1974)
Purchasing Decision Process	Purchase Decision	1. Approach Behavior 2. Avoidance Behavior	Y-1 Y-2	Mehrabian and Russell (1974)

In addition, with the utilization of SEM method there are terms that are necessary to be elaborated within this section. According to Hair et al. (2010) included are latent variable and observant variable. Latent variable is a variable which cannot be possible to be measured as it is or directly, measuring the variable therefore requires the arrangement of indicators (Hair et al., 2010).

Observant variable is a variable which associated with certain values of the observation on the specific question to which respondents participate in, for example asserted by the utilization of questionnaire and observations which arranged and conducted by a researcher (Hair et al., 2010).

3.8 Measurement Scale

Within the instrument utilizes for data collecting of Questionnaire, the research used a quantitative measurement by utilizing *Likert Scale*. As implied by Sekaran and Bougie (2013), likert scale can be used to measure attitudes, opinions, and perceptions of respondents, therefore the measurement scale was chosen based on considerations of the specific type of information the research requires.

Written form of statements which represent each indicators of every variables are presented to targeted respondent through a questionnaire, therefore distributed as a measuring instrument. Afterwards responses-answers to each statement is calculated through the analysis of frequencies of points to each portions of statements within each individual and the whole questionnaire, to be able to present a consistent basis as well as enable the data to be processed further.

It is necessary for targeted respondents to give responses to a series of statement-question, within the five alternatives point presented, in which attributed to each individual item, within the scale point range of very low to very high. Range of points within the scale is interval data type, therefore likert scale has a range of answers from 1 to 5. And each point represents the followings:

Table 3.2 Measurement Scale

Answers Alternatives	Point
Strongly Agree	5
Agree	4
Neither Agree or Disagree	3
Disagree	2
Strongly Disagree	1

Source: (Sekaran and Bougie, 2013, p.220.)

3.9 Instrument Design and Items

The instrument design and items for the questionnaire were specifically designed and adjusted in regards of both the research subject and its focus study (IKEA Indonesia). Each segmented portions' which encompasses statement/s attributed to each individual indicator were created in order to further strengthen the validity and reliability measures of the instrument.

By segmenting each indicators' related items, the instrument can be tested per segmentation and collectively as a questionnaire utilizing the SPSS statistics software to ensure the validity and consistency more accurately. The instrument items were also designed to collect detailed and accurate information within a concise number of items, derived and adjusted to accommodate its respective variables' indicators. In which derived from the latest theories, concepts, and or previous researches and applications related to the research subject, while also suited the intended respondents.

Table 3.3 Research Variables, Indicators, and Items

Variables	Indicators	Items	Sources
Visual Merchandising	Storefront	Effectively creates attention, interest, and inviting Effectively differentiate itself from nearby stores Effectively helps identify the brand and its business Effectively implies recognition and impression of the brand Effectively provides information and access to the store	Bastow-Shoop et al. (1991)
	Store Layout	Effectively creates attention, interest, and inviting Effectively helps identify the brand and its business Effectively provides information and access to the product and service	Farese et al. (2009)

Variables	Indicators	Items	Sources
		Effectively provides a smooth and thorough access to browse the store	
	Store Interior	Effectively creates attention, interest, and inviting to its products Effectively provides information and access to the product and service Effectively generates an impulse to own the product Effectively implies recognition and impression of the brand	Bastow-Shoop et al. (1991)
	Interior Display	Effectively provides a smooth and thorough access to browse the product Effectively provides information and access to the product and service	Farese et al. (2009)

Variables	Indicators	Items	Sources
		Effectively implies recognition and impression of the brand	
Emotional States	Pleasure	Effectively generates sense of pleasure, joy, and or delight	Mehrabian and Russell (1974)
	Arousal	Effectively generates the stimuli to further interact with the product, store clerk, and or the store (exhibition)	
	Dominance	Effectively generates sense of familiarity and comfort	
Purchase Decision	Approach	Generates purchase/s, as store implies a positive image and impression Generates purchase/s, as store provide adequate information and access to its	Xu and Chen (2017)

Variables	Indicators	Items	Sources
		exhibition and products Generates purchase/s, as store provide adequate sense of comfort and interactivity to its exhibition	Xu and Chen (2017)
	Avoidance	No purchase/s, as store fails to visualize a positive image and impression No purchase/s, as store fails to provide adequate information and access to its exhibition and products No purchase/s, as store fails to provide adequate sense of comfort and interactivity to its exhibition	

3.10 Research Instrument Test

3.10.1 Validity Test

Validity test is a test initiated in order to measure if whether each item (question-statement) arranged within the questionnaire are able to accurately picture each respective variable the items asserted to (Sekaran and Bougie, 2013). The test utilizes Pearson Correlation (Product-Moment Correlation Coefficient) denoted by r, which is performed by processing the items respondent required to answers for each variable with the *Pearson Product Moment Correlation* function in the SPSS software (Sugiyono, 2017).

The evaluation was done by comparing the value of generated r with the pre-calculated value of r product-moment table with a significance of 5% (five percent). Items can be identified as valid when the calculated r value is greater than that of tables' r, in which indicates that the item is able and appropriate to accommodate the measurement of variable it is asserted to (Sekaran and Bougie, 2013). The product moment correlation formula is as the followings:

$$r_{xy} = \frac{n\sum XY - (\sum X)\,(\sum Y)}{\sqrt{(n\sum X^2 - (\sum X)^2)\;\;(n\sum Y^2 - (\sum Y)^2)}}$$

Source: (Statistics How To, 2018a)

Identification:

rxy = product moment correlation

n = number of respondent

X = item score

Y = total score

Verdict of validity test:

When the value of calculated r > tables' r, the item is valid.

When the value of calculated r < tables' r, the item is invalid.

As per correlation coefficient, items in which have a positive correlation to the total score as also a high correlation signify the items has a high validity. Therefore, when the correlation coefficient within items met the aforementioned criteria, with items presented significance below or equal to 0.05 (5%) the instrument being used is valid, and vice versa (Sekaran and Bougie, 2013).

3.10.2 Reliability Test

Reliability is the level of stability and consistency of a measuring instrument, therefore the instrument can be trusted to be used to the means of collecting data (Sekaran and Bougie, 2013). According to Sugiyono (2017), the evaluation typically done through only one measurement, then the result is compared with other questions by *Cronbach Alpha Test*. The formula of the calculation are the followings:

$$r = \left[\frac{k}{k-1}\right]\left[1 - \frac{\sum\sigma_b^2}{\sigma_t^2}\right]$$

source: (Cronbach, 1951, p.299.)

Identification:

r = instrument reliability

k = number of item/s

$\sum\sigma_b^2$ = item/s variance

σ_t^2 = totals' variance

Verdict of reliability test:

When a variable value of reliability is >0.6 it is reliable.

When a variable value of reliability is <0.6 it is less reliable.

3.11 Data Analysis Technique

The technique utilizes in the research is Structural Equation Modeling (SEM), chosen based on the techniques' capabilities as it is allowing the testing of the relatively complicated sets of relationship between variables simultaneously. According to Hair et al. (2010), structural equation modeling facilitates the appropriate and most efficient technique of estimation to a series of separate *multiple regression* equations processed in simultaneous nature. SEM is an integrated approach between factor analysis, structural model, and path analysis (Solimun et al., 2017). According to Ferdinand (2014b), the followings are steps of the SEM technique:

1. Model Based on Concept and Theory: To design and formulate hypothetical model based on concepts and theories. SEM extensively used to test and confirm the theoretical model through empirical data and statistical processes.

2. Construct a Path Diagram: Based on the theoretical model, a path diagram is created. With the path diagram, the causal relationship between variables will be clearly defined, as it will be shown by arrow/s which explains direction of causal relationship between one construct to another. The path diagram is the basis to be further converted into structural equation and measurement equation.

3. Assumption Test: The classical assumption test will be initiated to the model with a data set applied, in order to evaluate the properness of the data set for the

model to be able to provide a representative result. The data therefore, have to fulfill the basic assumption that there are no symptoms of *normality* and *outlier*.

4. Hypothesis Test: The evaluation utilized to test the variables on how each affecting the dependent variable and or each other is by the *significance test*, a procedure consisting of the followings to test whether hypothesis can be confirmed or not:

a. Measurement Model: Using λ (Lambda Parameter)

b. Structural Model: Using β (Beta Parameter) and γ (Gama Parameter)

The test is similar with *T-test (or partial test)* in *multiple regression* technique, to which both applicable to test both direct relationship and indirect relationship within a hypothesis (Byrne, 2016).

3.12 Structural Equation Modeling (SEM)

As elaborated within the previous section, the research utilizes Structural Equation Modeling or abbreviated as SEM to the regards of analyzing the empirical data. Utilization of SEM method allow the testing of the relatively complicated sets of relationship between variables within a simultaneous nature. According to Hair et al. (2010), structural equation modeling facilitates the appropriate and most efficient technique of estimation to a series of separate *multiple regression* equations processed in a simultaneous nature. SEM approach integrates methods such as factor analysis, structural model, and path analysis (Solimun et al., 2017).

The method was chosen with considerations of its capacity and intricacy which enables more than a single extensive evaluation to process the variables and its relationships, in which produce a detailed and precise result. In addition, the research utilizes the statistical application module AMOS (AMOS Graphic version 23.00), integrated within IBM SPSS statistics software to processed the data utilizing SEM analysis. Steps to be arranged to generates results through SEM analysis according to Ferdinand (2014b), are the followings:

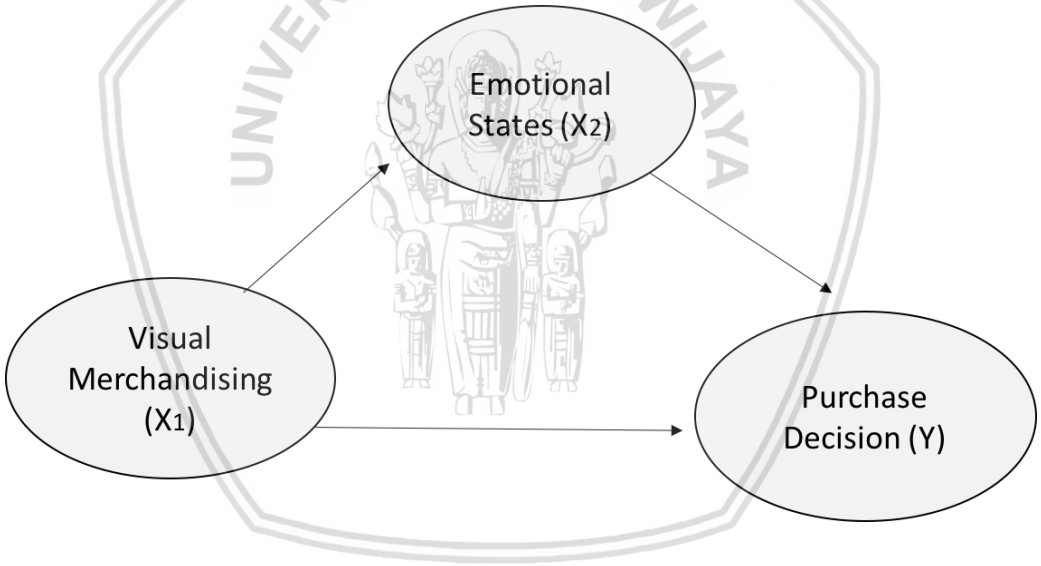
1. Model Based on Concept and Theory:

To design and formulate hypothetical model based on concepts and theories. SEM were used to test and confirm the structural and measurement model, in which derived based on the path diagram-theoretical model. Through an empirical data collected.

2. Construct a Path Diagram:

Based on the theoretical model, a path diagram is created. With the path diagram the causal relationship between variables are clearly defined, as shown through arrows which explains the direction/s of the causal relationship between one construct to another. The path diagram further converted into structural and measurement model, in which represents the structural equation and measurement equation.

Figure 3.1 Research's Path Diagram



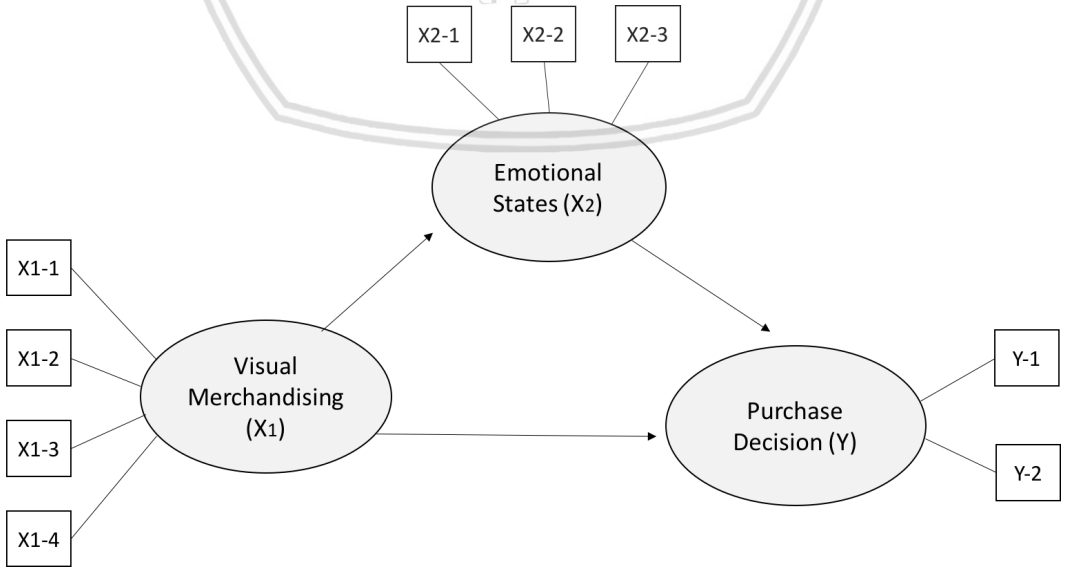
Source: (Researcher, 2018)

Within the model presented above, two kinds of variables are presented. According to Norman and Streiner (2003), the first kind is exogenous variable, variables' which present a path (identified with arrow) originating from the variable and none to its direction. The model signify that the variable only affected by factors outside of the model, which makes it an Independent variable. The second kind is

endogenous variable, in which signify that it has at least one path coming to its respective direction.

The model above also signify that Visual Merchandising, Emotional States, and Purchase Decision within SEM terminologies are variables which classified as unobservable variable or latent variable, in which presented through elliptical shapes. The following figure therefore, includes what classified as observable variable, in which presented through square shapes. The attribution of observable variables is necessary in order for a model to be able to be used as a construct to the measurement of hypothesis. The more elaborate model consisting of measurement model which explains the construct between indicators and its latent variables, and structural model which explains the causal relationship and or influence between latent variables is therefore created as presented below:

Figure 3.2 Structural and Measurement Model



Source: (Researcher, 2018)

Identification:

Independent variable, Visual Merchandising (X1) indicators:

1. X1-1 = Storefront
2. X2-2 = Store Layout
3. X1-3 = Store Interior
4. X1-4 = Interior Display

Mediating variable, Emotional States (X2) indicators:

1. X2-1 = Pleasure
2. X2-2 = Arousal
3. X2-3 = Dominance

Dependent variable, Purchase Decision (Y) indicators:

1. Y-1 = Approach Behavior
2. Y-2 = Avoidance Behavior

In order to convert the model into Structural Equation and Measurement Equation, the equations therefore should be derived from Structural and Measurement model which consist of Structural Equation that formulated to the regards of presenting causal relationship between constructs, as:

Endogenous Variable = Exogenous Variable + Endogenous Variable + Error

Source: (Statistics How To, 2018b)

In regards of the Measurement Equation, a specific equation with the requirement of a variable which constructs' to be measured is necessary, in which will generate a series of matrix which shows the correlation of hypothesis between construct or variable. Which as follows:

1. Visual Merchandising (X1)

$$X1\text{-}1 = \lambda 1X1 + \delta 1$$
$$X1\text{-}2 = \lambda 2X1 + \delta 2$$
$$X1\text{-}3 = \lambda 3X1 + \delta 3$$
$$X1\text{-}4 = \lambda 4X1 + \delta 4$$

2. Emotional States (X2)

$$X2\text{-}1 = \lambda 5X2 + \varepsilon 1$$
$$X2\text{-}2 = \lambda 6X2 + \varepsilon 2$$
$$X2\text{-}3 = \lambda 7X2 + \varepsilon 3$$

3. Purchase Decision (Y)

$$Y\text{-}1 = \lambda 8Y + \varepsilon 4$$
$$Y\text{-}2 = \lambda 9Y + \varepsilon 5$$

Identification:

λ = Loading factor (amount of indicator asserted to latent variable)

δ = Measurement of galat in asserted variable for exogenous variable

ε = Measurement of galat in asserted variable for endogenous variable

The above steps directly followed by the evaluation of Goodness of Fit. The Goodness of Fit evaluation is necessary to make sure the model being used is well and appropriate. The process determines the degree of wellness based on the observed input matrix, predicted through an estimated model. Goodness of fit measurement is designated towards the total input matrix, therefore the measurement makes no separation between exogenous and or endogenous constructs or indicators (Byrne, 2016). Presented below are cut-off values and indexes of appropriation to the measurement of whether a model is well or not, based on the requirement of SEM and recommendations of referenced previous researches:

1. CMIN/DF (minimum sample discrepancy function divided by degree of freedoms) is a Chi square statistics. Explains X^2 divided by X^2 relative which based on the degree of freedoms, if measured value of X^2 relative is less than 2.0 indicates an appropriate fit between model and data.

2. GFI (goodness of fit index), a non-statistical measurement which have an asserted scale of fit index. The scale index ranging from 0 (poor fit) to 1.0 (perfect fit), the closer the result is to the perfect fit point indicates the more appropriate the model proposed.

3. AGFI (Adjusted Goodness of Fit Index), explains the wellness of a model by a benchmark score of equal or more than 0.90, as an indication of appropriation to a model fit.

4. TLI (Tucker Lewis index), explains an incremental index which measure model based on a comparison of test model with a base line model, the appropriation value based on the index is >0.95 and value which closer to 1.0 indicates a better fit.

5. CFI (Comparative Fit Index), explains how the wellness of a model is better the closer the score is to 1.0, with a benchmark score of equal or > 0.95 as an indication of appropriate model fit.

6. RMSEA (the root mean square error of approximation), proposed model are estimated based on its degree of freedoms, in which a model measured with RMSEA generates result less than that of 0.08 is an indication of a good fit.

7. AIC (Akaike information criterion), explains the wellness of a model by comparing the proposed model to the measurement of the default model itself, saturated model, and independence model. The proposed model is awarded a good fit when the value of each default model is smaller than that of which the saturated and independence model are.

8. ECVI (expected cross-validation index), explains the wellness of a model by measuring the value of compatibility if another sets of data applied to the model. The proposed model is regarded a good fit when the value of each default model is smaller than that of which the saturated and independence model are.

Indexes listed above are summarized as follows:

Table 3.4 Goodness of Fit Indexes

No	Index	Cut-off Value
1	CMIN/DF	< 2.00
2	GFI	>0.90
3	AGFI	>0.90
4	TLI	>0.95
5	CFI	>0.95
6	RMSEA	< 0.08
7	AIC	Default < Saturated and Independence
8	ECVI	Default < Saturated and Independence

Source: (Ferdinand, 2014b, p.61.)

3. Assumption Test

A classical assumption test initiated to the model with the data set applied, in order to further evaluate the properness of the data set for the model in order to be able to provide a representative result. Data therefore, have to fulfill the basic assumption that no symptoms of *normality* and *outlier* exist (Ferdinand, 2014b). The steps are simultaneously processed through the utilization of functions within AMOS module.

4. Hypothesis Test

The approach utilizes on testing how the variables affecting the dependent variable and each other is done by the *significance test*, a procedure consisting of the followings to test whether hypothesis can be confirmed or not:

Measurement Model Hypothesis tested by the followings:

H0 : $\lambda i = 0$ or Not Significant

H1 : $\lambda i > 0$ or Significant

Structural Model Hypothesis tested by the followings:

Beta (β) parameter is any parameter which have influence/s towards endogenous variable originated from exogenous variable within the structural model.

H0 : $\beta i = 0$ or Not Significant

H1 : $\beta i \neq 0$ or Significant

Gama (γ) parameter is any parameter which have influence/s towards endogenous variable originated from endogenous variable within the structural model.

H0 : $\gamma i = 0$ or Not Significant

H1 : $\gamma i \neq 0$ or Significant

As elaborated within previous chapter therefore, the research direct and indirect hypothesis to be tested are classified within the followings:

Direct

H1: IKEA Visual Merchandising (X1) has a *direct* positive influence on Emotional States (X2).

H2: IKEA Visual Merchandising (X1) has a *direct* positive influence on Purchase Decision (Y).

H3: IKEA's customer Emotional States (X2) has a *direct* positive influence on Purchase Decision (Y).

Indirect

H4: IKEA Visual Merchandising (X1) has an *indirect* positive influence on Purchase Decision (Y) through the customer Emotional States (X2).

CHAPTER IV

FINDINGS AND DISCUSSION

4.1 Introduction

The chapter present and elaborate the results of the research. Specific sub chapters asserted to present and analyze specific segments such as the characteristic of respondents, description of variables, instrument tests, and assumption tests are arranged within this chapter. To the regards of deliberate analysis and discussion, the research results are segmented into several sub chapter. In which each organized and composed in regards of presenting the results, data, analysis, and discussion in detailed depth while maintaining consistency in a concise manner, as it leads to conclude the chapter with a discussion segment.

4.2 Introduction of Object (IKEA)

In conjunction with the information about IKEA presented within the previous chapter, essential information about IKEA in regards of its function as the research object are necessary to be presented in this sub chapter as follows:

IKEA is a Swedish – Dutch based multinational corporation that designs and sells ready to assemble furniture, home and kitchen appliance, and home accessories. IKEA was founded in Sweden in 1943 by Ingvar Kamprad. IKEA started as a small locally operated furniture dealer, which during the period of 1940s to 50s era of furniture development and self-assembly, Ingvar Kamprad started to develop IKEA into a furniture retailer.

By the period of 1960s towards the 80s, IKEA has started to design its own furniture products, and the expansion outside of Sweden and Europe saw the foreground of modern day IKEA people around the world is familiar with today. As by the end of fiscal year 2017, IKEA owns and operates 355 stores in 29 countries, including Indonesia (IKEA, 2018a). According to Forbes, since 2008 IKEA ranked in and still is the biggest furniture retailer in the world (Loeb, 2012).

Figure 4.1 IKEA Company Logo

Source: (www.ikea.com, 2018)

Company Name: IKEA
Website: www.ikea.com
Type: Private Company
Founded: Sweden, 1943
Business Field: Furniture Retailer
Headquarters: Delft, Netherlands
CEO: Jesper Brodin
Chairman of Supervisory Board: Lars-Johan Jarnheimer
Accumulated Revenue: 35 Billion Euros
Stores Count: 355 Stores
Personnel Count: 149 000 Individuals

IKEA Alam Sutera is IKEA's first established store in Indonesia and as part of IKEA 40 stores in Asia. Opened in October 2014 within a 35 000 square-meter lot next to Jakarta-Merak toll road. With entry access through Kunciran exit towards the exact address of JL. Jalur Sutera Boulevard No. 45 Alam Sutera, Tangerang. The store was built based on the now iconic IKEA visual designs, with the flagship big blue and yellow building IKEA is well known for worldwide. IKEA Alam Sutera initially featured over 7 000 home furnishing products, 55 interactive room setting displays, and three complete settings built to the size of a normal house, apartment, and a studio. IKEA Alam Sutera is operational 7 days a week starting at 10 00 AM, with 400 trained personnel allocated within the Alam Sutera Store (IKEA, 2018b).

IKEA retail space concept was such a new approach to furniture retailing when its initially introduced, which was after almost 50 years still is such a big hit in term of popularity when its first launched in Indonesia. As it is introducing a way of presenting its products and visuals, as never seen before within the respective furniture retailing business in Indonesia.

IKEA is unique as they present the products within a segmented exhibition like showroom within the retail space, which curation of assembled products provides customer an interactive way of observing and interacting with the products in real time. This interactive presentation also is unique as it is a contrast to most furniture retailers, where notices which limits customer interactions with the products mostly found. This approach introduces an interactive concept which emphasized the extensive utilization of Visual Merchandising concept within the

furniture industry. In regards with the aforementioned unique elements and approaches applied deliberately within a business operation in which oriented to a mass-produced product and relatively wide market segment, IKEA is deemed a perfect object to be observed in regards of the research subject. Therefore, IKEA is chosen as the focus of the study and observation of the research, specifically IKEA Indonesia retail space as the research object.

4.3 Characteristic of Respondents

The respondents of the research are people whom a resident, visitor, and or have an active routine within Tangerang area, in which have previously visited and made in-store purchase/s from IKEA Indonesia. The respondents are classified within several distinct characteristics such as gender, age, occupation, income-allowance, and residential, in which information generated from the collected data of the 300 questionnaires. The classifications are essential in regards of clearly pictured respondents as a research subject, therefore the characteristics of respondents are presented as follows:

4.3.1 Characteristic of Respondents According to Gender

Generated from the processed results, the characteristic of respondents in regards of their respective gender are as follows:

Table 4.1 Respondents According to Gender

Gender	Occurrence	Percentage
Male	181	60
Female	119	40
TOTAL	300	100

Source: (Processed Data, 2018)

Based on the information presented in table 4.1, out of the 300 questionnaire Male are accounted for 181 responses and Female for 119 responses. The data shown that out of 100 percent the majority are Male respondents, which accounted in for 60 percent, in which 20 percent more than that of Female respondents which accounted in for 40 percent.

The information therefore, shown that more male customer visited IKEA store within the time period of the research. The higher male frequency can be tied to the still commonly shared perspective within Indonesian culture which entails furniture shopping as male oriented activity, especially putting IKEA's product self-assembly requirement into further considerations.

4.3.2 Characteristic of Respondents According to Age

Generated from the processed results, the characteristic of respondents in regards of their respective age range are as follows:

Table 4.2 Respondents According to Age

Age	Occurrence	Percentage
19-26	41	14
27-34	111	37
35-42	41	14
43-50	32	11
Above 50	75	25
TOTAL	300	100

Source: (Processed Data, 2018)

Based on the information presented in table 4.2, out of the 300 questionnaire respondents within the age of 27-34 are accounted for 111 responses and age of 43-

50 accounted for 32 responses, in which makes the ages range the most and the least accounted respectively. Age range of 19-26 and 35-42 are equally accounted for 41 responses, which leaves the respondents filled in Above 50 accounted for 75 responses.

The data shown that out of 100 percent the majority of respondents are within the age range of 27-34 and Above 50, which accounted for 62 percent combined. The information projected that the ages of customer which visited IKEA are stretched relatively equal within its market segment. Meanwhile, the significant rise in frequency to option 27-34 can be translated to as it is the prime age range where customer started to generates demand for furniture and appliances products. In addition to the ability of being able to afford such products, which relates to the productivity age range to have and or already start a career/ occupation, therefore independently sustainable.

4.3.3 Characteristic of Respondents According to Occupation

Generated from the processed results, the characteristic of respondents in regards of their respective occupation are as follows:

Table 4.3 Respondents According to Occupation

Occupation	Occurrence	Percentage
Student	18	6
Employed (Public)	127	42
Employed (Private)	122	41
Entrepreneur	16	5
Others	17	6
TOTAL	300	100

Source: (Processed Data, 2018)

Based on the information presented in table 4.3, out of the 300 questionnaire respondents employed in public sector are accounted for 127 responses, employed in private sector for 122 responses, and entrepreneur for 16 responses. In which makes both sectors of employment the first and second in number of responses, and entrepreneur the last.

Both sectors of employment combined accounted for 249 responses which account for 83 percent out of the 100 percent portion. The percentage leaves only 17 percent for the other occupations, which are distributed relatively even within the 3 other options. The significant margin in number of responses projected that the majority of respondents whom visited IKEA store came from the occupational background in employment, either in public or private sector. Which are also not significantly differs in number. The projection can be tied to the location of the IKEA store, in which area surrounding the location are comprises of residential areas, university dense area, commercial area, and business district. Therefore, a hot spot of customer segments which came from the background of employment.

4.3.4 Characteristic of Respondents According to Income/Allowance

Generated from the processed results, the characteristic of respondents in regards of their respective income-allowance are as follows:

Table 4.4 Respondents According to Income-Allowance

Income/Allowance	Occurrence	Percentage
< 5 000 000	29	10
5 000 000 – 10 000 000	72	24
10 000 000 – 15 000 000	55	18
>15 000 000	144	48
TOTAL	300	100

Source: (Processed Data, 2018)

Based on the information presented in table 4.4, out of the 300 questionnaire respondents which income/allowance fell between the range of > 15 000 000 IDR accounted for the most responses, which are 144 responses. Respondents fell between the range of <5 000 000 IDR accounted for the least responses which account for 29 responses. Which leaves the range 5 000 000 – 10 000 000 IDR and 10 000 000 – 15 000 000 IDR with 72 and 55 responses respectively.

The responses of > 15 000 000 IDR account for 48 percent of the total responses, and a 42 percent account for both 5 000 000 – 10 000 000 IDR and 10 000 000 – 15 000 000 IDR combined. The information projected that although the vast majority of IKEA customers came from the segment which generates income/allowance of more than 15 000 000 IDR, which account for 48 percent on itself. There are substantial customer segments within the 5 000 000 – 15 000 000 IDR income/allowance level, which might account for customer such as university student and or people in the early-mid stage of their career.

Meanwhile, the most substantial occurrence can be tied to IKEA's product price level, in which might be perceived as relatively higher than that of some other available alternatives. Therefore, explains to the highest income/allowance range more significant visit and or purchase frequencies, as it ties directly to the regards of the capacity of available resources to spend.

4.3.5 Characteristic of Respondents According to Residential

Generated from the processed results, the characteristic of respondents in regards of their respective residential status are as follows:

Table 4.5 Respondents According to Residential

Residential	Occurrence	Percentage
Within	92	31
Outside	208	69
TOTAL	300	100

Source: (Processed Data, 2018)

Based on the information in table 4.5, out of the 300 questionnaire respondents in which a resident within the Tangerang area are accounted for 92 responses, and a resident outside of Tangerang area accounted for 208 responses. The percentage out of 100 percent, accounted in for 31 and 69 percent respectively.

The information signifies that despite the position of the IKEA store, in which located in Alam Sutera, Tangerang. The customer whom visited IKEA are stretched and not restricted within the geographical area. The significant portion of customer which came from outside of Tangerang area might also translated to the two facts that people which have routines and or activities within Tangerang area

are not necessarily a residence, and or customer outside of the area visited as it is where the sole IKEA Indonesia store is currently located.

4.4 Description of Variables

The segment elaborates the perceptions of respondents to each variable within the research, in which to accurately pictured the respondents of the research.

4.4.1 Visual Merchandising (X1)

Visual merchandising is everything the customer sees, both exterior and interior, which creates specific image of the business and resulting in attention, interest, desire, and action on the customer side (Bastow-Shoop et al., 1991). It presents to customer what the brand and business is all about.

These features build the store overall atmosphere, in which might affect customer emotional states that might drives customer to a purchase decision. As respondents' perception on visual merchandising differs one to another, the results are presented and described as follows:

Table 4.6 Respondents Perception on Visual Merchandising Indicator: Storefront

Indicator	Items		Respondent Responses (%)					Mean
			1	2	3	4	5	
Storefront	X1-1.1	IKEA storefront is welcoming, attractive, and interesting	2	5	23	47	22	3.82
	X1-1.2	IKEA storefront is easily distinguishable from its surrounding	2	3	11	46	38	4.15
	X1-1.3	IKEA storefront is well associated with the brand and its retailing business	2	6	17	48	27	3.92
	X1-1.4	IKEA storefront is easily recognizable and leaves an impression	2	3	19	44	32	4.01
	X1-1.5	IKEA storefront provides adequate information and access to the store	1	7	28	44	20	3.75
	TOTAL AVERAGE		1.8	4.8	19.6	45.8	27.8	3.93

Source: (Processed Data, 2018)

Based on the information in table 4.6, the majority of responses to each respective statement are accounted to point 4 (Agree) and 5 (Strongly Agree), which in average account for 45.8 percent and 27.8 percent of the total responses respectively. The accounted responses indicate that majority of customer perceived each item are highly compatible with the indicator Storefront.

The data presented that majority of customer perceived that item X1-1.2 have the most significant effect in regards of how they perceived the composition of Storefront within IKEA retail environment, in which generated the highest mean value of 4.15. Item X1-1.2 therefore, are deemed by the respondents a dominant factor in perceiving and measuring the indicator Storefront.

Table 4.7 Respondents Perception on Visual Merchandising Indicator: Store Layout

Indicator	Items		Respondent Responses (%)					Mean
			1	2	3	4	5	
Store Layout	X1-2.1	IKEA store layout is welcoming, attractive, and interesting	1	4	16	44	35	4.07
	X1-2.2	IKEA store layout is well associated with the brand and its business	1	4	14	51	30	4.03
	X1-2.3	IKEA store layout provides adequate information and access to its products	1	5	15	52	27	4.01
	X1-2.4	IKEA store layout provides adequate access to explore and browse the store	1	5	16	49	29	4.00
	TOTAL AVERAGE		1	4.5	15.2	49	30.2	4.02

Source: (Processed Data, 2018)

Based on the information in table 4.7, the majority of responses to each respective statement are accounted to point 4 (Agree) and 5 (Strongly Agree), which in average account for 49 percent and 30.2 percent of the total responses respectively. The accounted responses indicate that majority of customer perceived each item are highly compatible with the indicator Store Layout.

The data presented that majority of customer perceived that item X1-2.1 have the most significant effect in regards of how they perceived the arrangement of Store Layout within IKEA retail environment, in which generated the highest mean value of 4.07. Item X1-2.1 therefore, are deemed by the respondents a dominant factor in perceiving and measuring the indicator Store Layout.

Table 4.8 Respondents Perception on Visual Merchandising Indicator: Store Interior

Indicator	Items		Respondent Responses (%)					Mean
			1	2	3	4	5	
Store Interior	X1-3.1	IKEA store interior makes its products more attractive and interesting	1	3	12	51	33	4.10
	X1-3.2	IKEA store interior provides adequate information and access to the products	1	4	18	51	26	3.98
	X1-3.3	IKEA store interior makes me want to own the products	1	3	18	48	30	4.03
	X1-3.4	IKEA store interior is easily recognizable and leaves an impression of the brand	1	5	17	50	27	3.98
	TOTAL AVERAGE		1	3.75	16.2	50	29	4.02

Source: (Processed Data, 2018)

Based on the information in table 4.8, the majority of responses to each respective statement are accounted to point 4 (Agree) and 5 (Strongly Agree), which in average account for 50 percent and 29 percent of the total responses respectively. The accounted responses indicate that majority of customer perceived each item are highly compatible with the indicator Store Interior.

The data presented that majority of customer perceived that item X1-3.1 have the most significant effect in regards of how they perceived the aspect of Store Interior within IKEA retail environment, in which generated the highest mean value of 4.10. Item X1-3.1 therefore, are deemed by the respondents a dominant factor in perceiving and measuring the indicator Store Interior.

Table 4.9 Respondents Perception on Visual Merchandising Indicator: Interior Display

Indicator	Items		Respondent Responses (%)					Mean
			1	2	3	4	5	
Interior Display	X1-4.1	IKEA interior display provides adequate access to explore and browse the products	1	3	21	46	29	3.99
	X1-4.2	IKEA interior display provides adequate information and access to the products	0	4	19	50	27	3.99
	X1-4.3	IKEA interior display is easily recognizable and leaves an impression of the brand	0	3	18	49	29	4.03
	TOTAL AVERAGE		0.3	3.3	19.3	48.3	28.3	4.00

Source: (Processed Data, 2018)

Based on the information in table 4.9, the majority of responses to each respective statement are accounted to point 4 (Agree) and 5 (Strongly Agree), which in average account for 48.3 percent and 28.3 percent of the total responses respectively. The accounted responses indicate that majority of customer perceived each item are highly compatible with the indicator Interior Display.

The data presented that majority of customer perceived that item X1-4.3 have the most significant effect in regards of how they perceived the composition of Interior Display within IKEA retail environment, in which generated the highest mean value of 4.03. Item X1-4.3 therefore, are deemed by the respondents a dominant factor in perceiving and measuring the indicator Interior Display.

Table 4.10 Respondents Perception on Visual Merchandising

Indicators	Items	Respondent Responses Average (%)					Mean
		1	2	3	4	5	
Storefront	X1-1	1.8	4.8	19.6	45.8	27.8	3.93
Store Layout	X1-2	1	4.5	15.2	49	30.2	4.02
Store Interior	X1-3	1	3.75	16.2	50	29	4.02
Interior Display	X1-4	0.3	3.3	19.3	48.3	28.3	4.00

Source: (Processed Data, 2018)

Based on the information in table 4.10, the majority of responses to each respective indicator are accounted to point 4 (Agree) and 5 (Strongly Agree), which in account for the majority of the total responses. The accounted responses indicate that majority of customer perceived that each indicator is highly compatible with the variable Visual Merchandising (X1), in which also indicate that each aspect of the indicator is present-apparent within the IKEA retail environment compositions.

The data presented that majority of customer perceived that both indicator Store Layout (X1-2) and Store Interior (X1-3) have the most significant effect in regards of how they perceived the variable Visual Merchandising within IKEA retail environment. The indicators generated the equally highest mean value of 4.02. The indicator Store Layout and Store Interior therefore, are deemed by the respondents a dominant factor in perceiving and measuring the variable Visual Merchandising.

4.4.2 Emotional States (X2)

Emotional states is an emotive based factor that constantly changing overtime, even within the same individual in a relatively close period of time. Emotional states is a determinant factor within the set of consumption process, in which as implied by Mehrabian and Russell (1974), customer emotions will drive customer into varieties of decisions.

The atmosphere of the environment where the exchange is taking place will have substantial variation of stimuli which affects customer decision making, in which explains how a retail products might be evaluated more positively within an environment projecting pleasant and favorable emotional responses (Bitner, 1992). Emotional states therefore, deliberately influence what is and when is purchased. As respondents' perception on Emotional States differs one to another, the result is presented and described as follows:

Table 4.11 Respondents Perception on Emotional States

Indicators	Items	Respondent Responses Average (%)					Mean
		1	2	3	4	5	
Pleasure	X2-1	0	4	17	48	31	4.05
Arousal	X2-2	2	6	20	49	23	3.85
Dominance	X2-3	1	3	18	51	27	3.99
TOTAL AVERAGE		1	4.3	18.3	49.3	27	

Source: (Processed Data, 2018)

Based on the information in table 4.11, the majority of responses to each respective indicator of Emotional States are accounted to point 4 (Agree) and 5 (Strongly Agree), which in account for the majority of the total responses. The accounted responses indicate that majority of customer perceived that each indicator is highly compatible with the variable Emotional States (X2), in which also indicate that each aspect of the indicator is present-apparent within their consumption process experienced in IKEA retail environment.

The data presented that majority of customer perceived that indicator Pleasure (X2-1) have the most significant effect in regards of how they perceived the variable Emotional States within their experience in IKEA retail environment. The indicator generated the highest mean value of 4.05. The indicator Pleasure therefore, is deemed by the respondents a dominant factor in perceiving and measuring the variable Emotional States.

4.4.3 Purchase Decision (Y)

Purchase Decision is part of the steps within customer purchasing or buying decision process, in which gradual steps that customer went through on the consumption process of product and or service (Kotler and Keller, 2016). Purchase decision is the 4th step out of 5 which came after the Evaluation of Alternatives.

Within the process, Purchase Decision can be measured by the behavioral indicators Approach and Avoidance, which will determine if whether customer ended up with a desire and or decision of making a purchase/s or not within their

respective consumption process. As respondents' perception on Purchase Decision differs one to another, the results are presented and described as follows:

Table 4.12 Respondents Perception on Purchase Decision Indicator: Approach

Indicator	Items		Respondent Responses (%)					Mean
			1	2	3	4	5	
Approach	Y-1.1	IKEA store leaves a positive image and impressions and it helps me made a purchase/s	2	4	18	46	31	4.01
	Y-1.2	The adequate information and access to the IKEA store exhibition and its products helps me made a purchase/s	1	3	20	54	22	3.91
	Y-1.3	The adequate sense of comfort and interactions to the IKEA store exhibition and its products helps me made a purchase/s	1	3	19	51	26	3.97
	TOTAL AVERAGE		1.3	3.3	19	50.3	26.3	3.96

Source: (Processed Data, 2018)

Based on the information in table 4.12, the majority of responses to each respective statement asserted to the indicator Approach (Y-1) are accounted to point 4 (Agree) and 5 (Strongly Agree), which in average account for 50.3 percent and 26.3 percent of the total responses respectively. The accounted responses indicate that majority of customer perceived that each item is highly compatible with the indicator Approach.

The data presented that majority of customer perceived that item Y-1.1 have the most significant effect in regards of how they perceived aspect which

enticed the behavior Approach within their consumption process in IKEA retail environment. In which generated the highest mean value of 4.01. Item Y-1.1 therefore, deemed by the respondents a dominant factor in perceiving and measuring the indicator Approach.

Table 4.13 Respondents Perception on Purchase Decision Indicator: Avoidance

Indicator	Items		Respondent Responses (%)					Mean
			1	2	3	4	5	
Avoidance	Y-2.1	If IKEA store leaves a negative image and impressions, makes me don't want to purchase its products	3	4	20	46	27	3.91
	Y-2.2	If IKEA store failed to provide adequate information and access to its exhibition and products, makes me don't want to purchase its products	2	5	19	52	23	3.9
	Y-2.3	If IKEA store is not comfortable, it makes me don't want to interact further and purchase its products	2	5	17	53	23	3.90
	TOTAL AVERAGE		2.3	4.6	18.6	50.3	24.3	3.90

Source: (Processed Data, 2018)

Based on the information in table 4.13, the majority of responses to each respective statement asserted to the indicator Avoidance (Y-2) are accounted to point 4 (Agree) and 5 (Strongly Agree), which in average account for 50.3 percent and 24.3 percent of the total responses respectively. The accounted responses indicate that majority of customer perceived that each item is highly compatible with the indicator Avoidance.

The data presented that majority of customer perceived that item Y-2.1 have the most significant effect in regards of how they perceived aspect which enticed the behavior Avoidance within their respective consumption process in IKEA retail environment. In which generated the highest mean value of 3.91. Item Y-2.1 therefore, deemed by the respondents a dominant factor in perceiving and measuring the indicator Avoidance.

Table 4.14 Respondents Perception on Purchase Decision

Indicators	Items	Respondent Responses Average (%)					Mean
		1	2	3	4	5	
Approach	Y-1	1.3	3.3	19	50.3	26.3	3.96
Avoidance	Y-2	2.3	4.6	18.6	50.3	24.3	3.90

Source: (Processed Data, 2018)

Based on the information in table 4.14, the majority of responses to each respective indicator of Purchase Decision are accounted to point 4 (Agree) and 5 (Strongly Agree), which in account for the majority of the total responses. The accounted responses indicate that majority of customer perceived each indicator are highly compatible with the variable Purchase Decision (Y), in which also indicate that each aspect of the indicator is present-apparent within the consumption process experienced in IKEA retail environment.

The data presented that majority of customer perceived that indicator Approach (Y-1) have the most significant effect in regards of how they perceived the variable Purchase Decision within their respective consumption process in

IKEA retail environment. The indicator generated the highest mean value of 3.96. The indicator Approach therefore, deemed by the respondents a dominant factor in perceiving and measuring the variable Purchase Decision.

4.5 Instrument Tests

4.5.1 Validity Test

Validity test is a test initiated in order to measure if whether each item (question-statement) arranged within the questionnaire are able to accurately picture each respective variable the items asserted to (Sekaran and Bougie, 2013). The test utilizes Pearson Correlation (Product-Moment Correlation Coefficient) denoted by r, which is performed by processing the items respondent required to answers for each variable with the *Pearson Product Moment Correlation* function in the SPSS software (Sugiyono, 2017).

The evaluation was done by comparing the value of calculated r with the pre-calculated value of r product-moment table with a significance of 5% (five percent). Items can be identified as valid (VALID) when calculated r value is greater than that of tables' r, in which indicates that the item is able and appropriate to accommodate the measurement of variable it is asserted to (Sekaran and Bougie, 2013). The result of the validity test is presented as follows:

Table 4.15 Validity Test Result

Variables	Indicators	Items	r	Probability	Identification
Visual Merchandising	Storefront X1-1	X1-1.1	.640	.000	VALID
		X1-1.2	.495	.005	VALID
		X1-1.3	.613	.000	VALID
		X1-1.4	.634	.000	VALID
		X1-1.5	.620	.000	VALID
	Store Layout X1-2	X1-2.1	.485	.007	VALID
		X1-2.2	.714	.000	VALID
		X1-2.3	.760	.000	VALID
		X1-2.4	.538	.002	VALID
	Store Interior X1-3	X1-3.1	.496	.005	VALID
		X1-3.2	.800	.000	VALID
		X1-3.3	.644	.000	VALID

Variables	Indicators	Items	r	Probability	Identification
		X1-3.4	.634	.000	VALID
	Interior Display X1-4	X1-4.1	.817	.000	VALID
		X1-4.2	.801	.000	VALID
		X1-4.3	.595	.001	VALID
Emotional States	Pleasure X2-1	X2-1	.754	.000	VALID
	Arousal X2-2	X2-2	.393	.032	VALID
	Dominance X2-3	X2-3	.585	.001	VALID
Purchase Decision	Approach Y-1	Y-1.1	.745	.000	VALID
		Y-1.2	.614	.000	VALID
		Y-1.3	.584	.001	VALID
	Avoidance Y-2	Y-2.1	.547	.002	VALID
		Y-2.2	.582	.001	VALID
		Y-2.3	.561	.001	VALID

Source: (Processed Data, 2018)

Based on the information in table 4.15, the result shows that each item asserted to measure each variable are valid. The validity is awarded by comparing each r value generated to the table's r value with the 0.05 or five percent significance, in which listed 0.374 as the benchmark value. In conjunction with the r value, generated significance value cannot be higher than that of the 0.05 benchmark value, in order for items to be regarded as valid.

As presented, each of both r values and the significance values met that of the benchmark values criteria. Therefore, indicates that the instrument is valid, and appropriate to accommodate the purpose of the research.

4.5.2 Reliability Test

Reliability test is an evaluation initiated in order to measure the consistency and reliability of a measuring instrument in order to make sure that the instrument can be trusted and proper to accommodate the data collecting (Sekaran and Bougie, 2013). The test utilizes *Cronbach's Alpha,* in which items can be regarded as reliable as it met the Cronbach's Alpha benchmark value of 0.6 (Sugiyono, 2017). The test is done through the *Reliability Analysis* (Reliability Statistics) statistical function within the SPSS software. The result of the reliability test is presented as follows:

Table 4.16 Reliability Test Result

Variables	**Indicators**	**Cronbach's Alpha**	**Identification**
Visual Merchandising	Storefront (X1-1)	.833	RELIABLE
	Store Layout (X1-2)	.795	RELIABLE
	Store Interior (X1-3)	.776	RELIABLE
	Interior Display (X1-4)	.819	RELIABLE
Emotional States	Pleasure (X2-1)	.714	RELIABLE
	Arousal (X2-2)	.714	RELIABLE
	Dominance (X2-3)	.714	RELIABLE
Purchase Decision	Approach (Y-1)	.778	RELIABLE
	Avoidance (Y-2)	.850	RELIABLE

Per/ Instrument: 0.928

Source: (Processed Data, 2018)

As presented, each item Cronbach's Alpha value are greater than that of the benchmark values of 0.6. The values, also significantly higher than the minimum criteria, hence the instrument is regarded as highly reliable. Therefore, indicates that the instrument is stable, consistent, reliable, and appropriate to accommodate the purpose of the research.

As the measuring instrument validity and reliability tested shown results which indicates that the instrument is both Valid and Reliable. Therefore, the instrument is able to accurately accommodate the specific needs of the research, which also signify that the data collected through the instrument can be processed further with Structural Equation Modeling analysis.

4.6 Assumption Test

As part of the gradual steps within the Structural Equation Modeling analysis as proposed by Ferdinand (2014b), the assumption test is initiated in order for the collected data and the model to be able to provide a representative result. Data set therefore, have to fulfill the basic assumption that no symptoms of *normality* and *outlier* exist. The steps were done through functions within AMOS module, which results are presented as follows:

4.6.1 Normality

In Structural Equation Modeling (SEM) the normality of data distribution is calculated through a statistical observation to the value of skewness (z-value) of the data used by a multivariate approach. The data distribution is said to be normal

when the z-value is smaller than that of the critical ratio value and vice versa (Ferdinand, 2014b). The result of the normality observation is presented as follows:

Table 4.17 Normality Test Result

	c.r.	**Identification**
Multivariate	35.690	Normal

Source: (Processed Data, 2018)

Based on the information in table 4.17, through the assessment of normality function in AMOS the data used (n = 300) generated a critical ratio value of 35.690. The value is supposed to be smaller than the critical value of z with alpha of 0.05, in which have listed value of 1.645. As presented 35.690 > 1.645 indicates that the normality assumption is not met.

Based on The Central Limit Theorem however, a sampling distribution will approach a normality in distribution as sample size got larger (n > 30), and the assumption will no longer be appropriate (Statistics How To, 2018c). Therefore, as the sample size utilizes for the research is significantly larger (n = 300) than that of the n = 30 criteria, the assessment of normality can be ignored.

4.6.2 Outlier

In Structural Equation Modeling, the Mahalanobis Distance is utilized and tested through multivariate in order to generates the distance of each observation point from the mean of each variable within a multi-dimensional space (Byrne, 2016). According to Byrne (2016), from the distances in order to pin-point whether or not an Outlier exist, the Mahalanobis d-squared value of the farthest observation point are to be compared with the Chi-Square table with the asserted alpha. The farthest observation point Mahalanobis d-squared value have to be smaller than that of the listed Chi-Square table value, in which for the data to be regarded as having no outlier. The result of the outlier observation is presented as follows:

Table 4.18 Outlier Test Result

Farthest Observation Point	Mahalanobis d-squared	Identification
298	14.294	No Outlier

Source: (Processed Data, 2018)

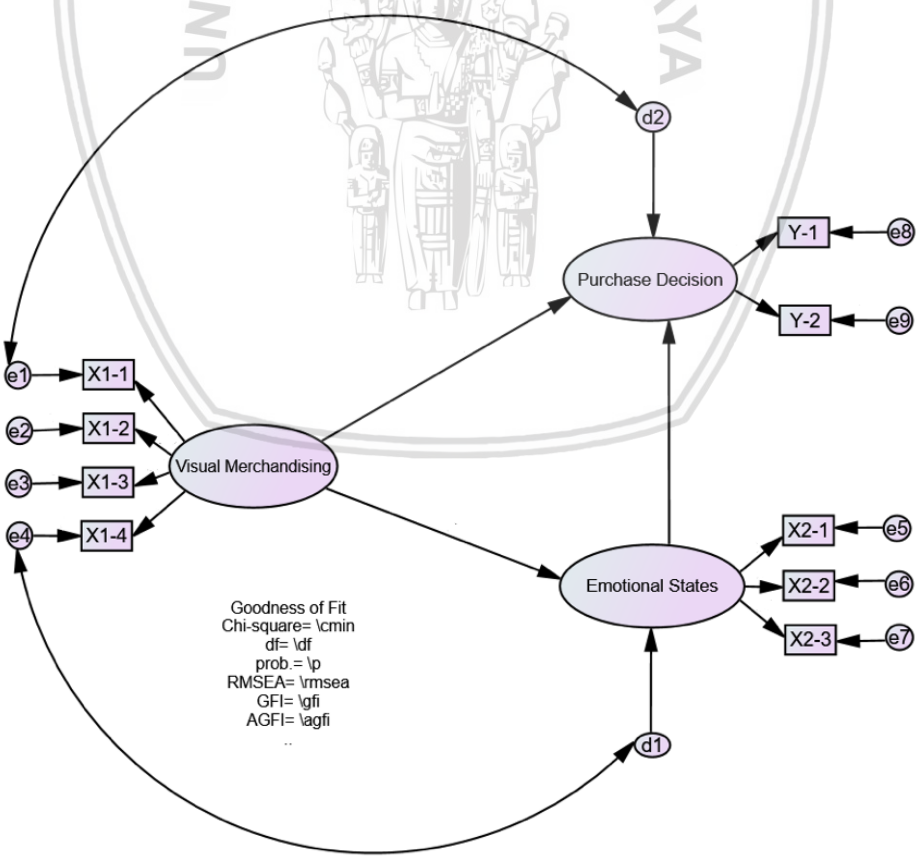
The Mahalanobis distance are evaluated by comparing the value to a Chi-Square table value based on the degree of freedom accounted to the parameter of the model. Therefore, with the generated degree of freedom of 21 (df = 21) and alpha of 0.05, the listed Chi-Square table value is 32.671.

The farthest observation point is 298, with the Mahalanobis d-squared value of 14.294. As the comparison of 14.294 < 32.671 presented that the farthest observation point value is smaller than that of the Chi-Square table, in which translated to the non-existence of outlier in every observation point.

4.7 Results of SEM Analysis

This sub-chapter present the results of the research's Structural Equation Modeling analysis. The sub-chapter are segmented into several parts in which each part presents the specific data and analysis in accordance of gradual steps-parts necessary in regards of the Structural Equation Modeling arrangement. The results are generated and derived by processing the collected empirical data and the arranged structural and measurement model by functions evaluated with AMOS IBM statistical module. The adjusted structural and measurement model is presented as follows:

Figure 4.2 Structural and Measurement Model



Source: (Processed Data, 2018)

4.7.1 Goodness of Fit

The Goodness of Fit evaluations are several distinct benchmark indexes arranged to make sure the model utilizes is well, appropriate, and be able to accommodate the needs of the research. The process determines the degree of wellness based on the observed input matrix, predicted through an estimated model by the utilizations of functions within AMOS module (Byrne, 2016).

Presented below are several measurement's cut-off values and indexes with distinct benchmark of appropriation to test whether a model is well or not. The indexes used are based on the default requirement of SEM and recommendations of referenced previous researches. The results of the Goodness of Fit are as follows:

1. CMIN/ DF

CMIN/DF (minimum sample discrepancy function divided by degree of freedoms) is a Chi-Square statistics. Explains X^2 divided by X^2 relative which based on the degree of freedoms. The indication of wellness is regarded if measured value of X^2 relative is equal or less than 2.00 (< 2.00), in which indicates an appropriate fit between model and data. The result is presented as follows:

Table 4.19 CMIN/DF Measurement Result

CMIN

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	23	38.899	21	.010	1.852
Saturated model	45	.000	0		
Independence model	9	2743.657	36	.000	76.213

Source: (Processed Data, 2018)

Based on the information in table 4.19, the model generated a CMIN value of 38.899 and degree of freedom of 21, in which divided generated a result of 1.852 (CMIN/DF). As the generated value is lower than that of the benchmark index of appropriation (2.00), therefore the evaluation (1.852 < 2.00) indicates that the model and data set have a good fit. Therefore, the model is well and appropriate to be used.

2. RMR, GFI (AGFI, PGFI)

GFI (Goodness of Fit Index) and AGFI (Adjusted Goodness of Fit Index), are non-statistical measurements which have an asserted scale of fit index. The scale index ranging from 0 (poor fit) to 1.0 (perfect fit), the closer the result is to the perfect fit point indicates the better the model proposed. With a benchmark value of a model wellness and appropriation of equal or more than 0.90 (> 0.90), as an indication of good model fit.

RMR is a measurement which observes the average residual between covariance and or correlation matrix and result of estimation, in which model are regarded well and appropriate if the generated RMR is equal or smaller than that of benchmark value of 0.05 (< 0.05). The result is presented as follows:

Table 4.20 RMR, GFI (AGFI, PGFI) Measurement Result

RMR, GFI

Model	RMR	GFI	AGFI	PGFI
Default model	.011	.971	.939	.453
Saturated model	.000	1.000		
Independence model	.390	.200	.000	.160

Source: (Processed Data, 2018)

Based on the information in table 4.20, the model generated a RMR value of 0.011, GFI value of 0.971, and AGFI value of 0.939. The GFI and AGFI measurements (0.971 > 0.90) and (0.939 > 0.90) respectively indicates a really good model fit, as its both met the index benchmark and value is approaching 1.00, which is a scale point of a perfect fit. The RMR measurement is also presented a good model fit as (0.011 < 0.05) met the index criteria therefore indicates the wellness of the model.

As the generated values met the criteria of the indexes benchmark of wellness and appropriation, therefore the measurements indicate that the model and data set have a good fit. Therefore, the model is well and appropriate to be used.

3. Baseline Comparison (NFI, RFI, IFI, TLI, CFI)

NFI, RFI, IFI, TLI, and CFI are parts of incremental indexes which evaluates model based on a comparison of the proposed model with a baseline model. The measurement, in which have a benchmark value of wellness and appropriation of model fit of equal or greater than that of 0.95 (> 0.95) and value which closer to 1.00 indicates a better fit. The result is presented as follows:

Table 4.21 Baseline Comparison (NFI, RFI, IFI, TLI, CFI) Measurement Result

Baseline Comparisons

Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Default model	.986	.976	.993	.989	.993
Saturated model	1.000		1.000		1.000
Independence model	.000	.000	.000	.000	.000

Source: (Processed Data, 2018)

Based on the information in table 4.21, the model generated a NFI value of 0.986, RFI value of 0.976, IFI value of 0.993, TLI value of 0.989, and CFI value of 0.993. Each measurement value respectively is greater than that of the baseline benchmark value of 0.95 (> 0.95) therefore indicates a really good model fit. As its both met the indexes criteria of wellness as well as values are approaching 1.00, which is a scale point of a perfect fit, especially the IFI and CFI values (0.993) which are the closest to the perfect fit.

As the generated values met the criteria of the index benchmark of wellness and appropriation, the evaluation indicates that the model and data set have a good fit. Therefore, the model is well and appropriate to be used.

4. RMSEA

RMSEA (The Root Mean Square Error of Approximation) is a measurement in which model wellness are estimated based on its degree of freedoms, in which a model measured with RMSEA can be regarded as well and appropriate when the model generated a result with value of less than 0.08 (< 0.08), which is an indication of a good fit. The result is presented as follows:

Table 4.22 RMSEA Measurement Result

RMSEA

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	.053	.026	.079	.384
Independence model	.502	.486	.518	.000

Source: (Processed Data, 2018)

Based on the information in table 4.22, the evaluation generated a RMSEA value of 0.053. The value generated is smaller than that of the index benchmark of 0.08, which makes the measurement (0.053 < 0.08) indicates a good model fit. Therefore, the evaluation regards the model is well and appropriate to be used.

5. AIC

The Akaike Information Criterion regards the wellness of a model by comparing the proposed model to the measurement of the saturated model and independence model. The proposed model is awarded a good fit when the value of each default model is smaller than that of which the saturated and independence model are. The result is presented as follows:

Table 4.23 AIC Measurement Result

AIC

Model	AIC	BCC	BIC	CAIC
Default model	86.899	88.560	175.789	199.789
Saturated model	90.000	93.114	256.670	301.670
Independence model	2761.657	2762.280	2794.991	2803.991

Source: (Processed Data, 2018)

Based on the information in table 4.23, the model generated AIC value of 86.899, BCC value of 88.560, BIC value of 175.789, and CAIC value of 199.789. As per the values presented in the table, each of the default model value is smaller than that of the Saturated Model and Independence Model respectively. In which indicates that the criteria are met, therefore the model is well and appropriate to be used.

6. ECVI

ECVI (expected cross-validation index), regards the wellness of a model by measuring the value of compatibility if another sets of data applied to the model. The proposed model is regarded a good fit when the value of ECVI and MECVI default model is smaller than that of which the saturated and independence model are. The result is presented as follows:

Table 4.24 ECVI Measurement Result

ECVI

Model	ECVI	LO 90	HI 90	MECVI
Default model	.291	.245	.363	.296
Saturated model	.301	.301	.301	.311
Independence model	9.236	8.674	9.823	9.238

Source: (Processed Data, 2018)

Based on the information in table 4.24, the model generated ECVI value of 0.291 and MECVI value of 0.296. As per the values presented in the table, each of the default model value is smaller than that of the Saturated Model and Independence Model respectively. In which indicates that the criteria are met, therefore the model is well and appropriate to be used.

As described within chapter three, utilizing the Goodness of Fit indexes criteria as presented within the sub-chapter as the basis of measuring the proposed model and data set wellness, fit, and appropriation, the generated results shows the model and data met all the asserted criteria. Therefore, the model can be regarded as having a good fit with the specific data set, and be able to accommodate the needs of the research in accordance with the utilization of Structural Equation Modeling.

4.7.2 Measurement Model Analysis

Measurement model analysis is a part of structural equation modeling in which measures variables by each of the asserted indicator as its denominator. The measurement evaluates the value of Loading Factors (standardized coefficient) of every indicator, in which shows the weight of each indicator as a denomination to its respective variable (Byrne, 2016).

Therefore, the greater an indicators' value of loading factor within its asserted variable, indicates that the indicator is a dominant denominator. In which projected that which indicator have the most significant effect to the measurement of a variable (Byrne, 2016). The research measurement model results and analysis are presented as follows:

4.7.2.1 Variable Visual Merchandising

The measurement model analysis of indicators asserted to variable Visual Merchandising is as follows:

Table 4.25 Measurement Model Result of Variable (X1)

Indicator		Loading Factor	Probability
X1-1	Storefront	0.770	0.000
X1-2	Store Layout	0.907	0.000
X1-3	Store Interior	0.953	0.000
X1-4	Interior Display	0.904	0.000

Probability value shown indicates significance of that smaller than 0.001, in which presented as three asterisk (***) in the AMOS output

Source: (Processed Data, 2018)

Based on the information in table 4.25, the measurement model analysis generated loading factors value of 0.770 from indicator Storefront (X1-1), 0.907 from indicator Store Layout (X1-2), 0.953 from indicator Store Interior (X1-3), and 0.904 from indicator Interior Display (X1-4). The probability value of 0.000 (***), in which smaller than the alpha of 0.05 (5%) indicates that each indicator has a significant effect on measuring the variable Visual Merchandising.

Based on the loading factor values, the indicator which have the most significant effect on the measurement of variable (X1) to the least significant are Store Interior, Store Layout, Interior Display, to Storefront respectively. Per the measurement model analysis, Store Interior is regarded as the Dominant indicator in measuring Visual Merchandising. Therefore, indicate that Store Interior has the most significant effect on customer, in which significantly influence their respective measurement and perceptions of IKEA's Visual Merchandising.

4.7.2.2 Variable Emotional States

The measurement model analysis of indicators asserted to variable Emotional States is as follows:

Table 4.26 Measurement Model Result of Variable (X2)

Indicator		Loading Factor	Probability
X2-1	Pleasure	0.921	0.000
X2-2	Arousal	0.813	0.000
X2-3	Dominance	0.919	0.000

Probability value shown indicates significance of that smaller than 0.001, in which presented as three asterisk (***) in the AMOS output

Source: (Processed Data, 2018)

Based on the information in table 4.26, the measurement model analysis generated loading factors value of 0.921 from indicator Pleasure (X2-1), 0.813 from indicator Arousal (X2-2), and 0.919 from indicator Dominance (X2-3). The probability value of 0.000 (***), in which smaller than the alpha of 0.05 (5%) indicates that each indicator has a significant effect on measuring the variable Emotional States.

Based on the loading factor values, the indicators which have the most significant effect on the measurement of variable (X2) to the least significant are Pleasure, Dominance, to Arousal respectively. Per the measurement model analysis, Pleasure is regarded as the Dominant indicator in measuring Emotional States. Therefore indicates, within IKEA's store environment, the customer tends to evaluates the emotional state pleasure greater than that of the other indicator. The result also indicates that within the IKEA store environment, factors which stimulate the emotional state pleasure are the most apparent and significant. In which significantly influence the customer measurement and perceptions of their respective Emotional States.

4.7.2.3 Variable Purchase Decision

The measurement model analysis of indicators asserted to variable Purchase Decision is as follows:

Table 4.27 Measurement Model Result of Variable (Y)

Indicator		Loading Factor	Probability
Y-1	Approach	0.869	0.000
Y-2	Avoidance	0.585	0.000

Probability value shown indicates significance of that smaller than 0.001, in which presented as three asterisk (***) in the AMOS output

Source: (Processed Data, 2018)

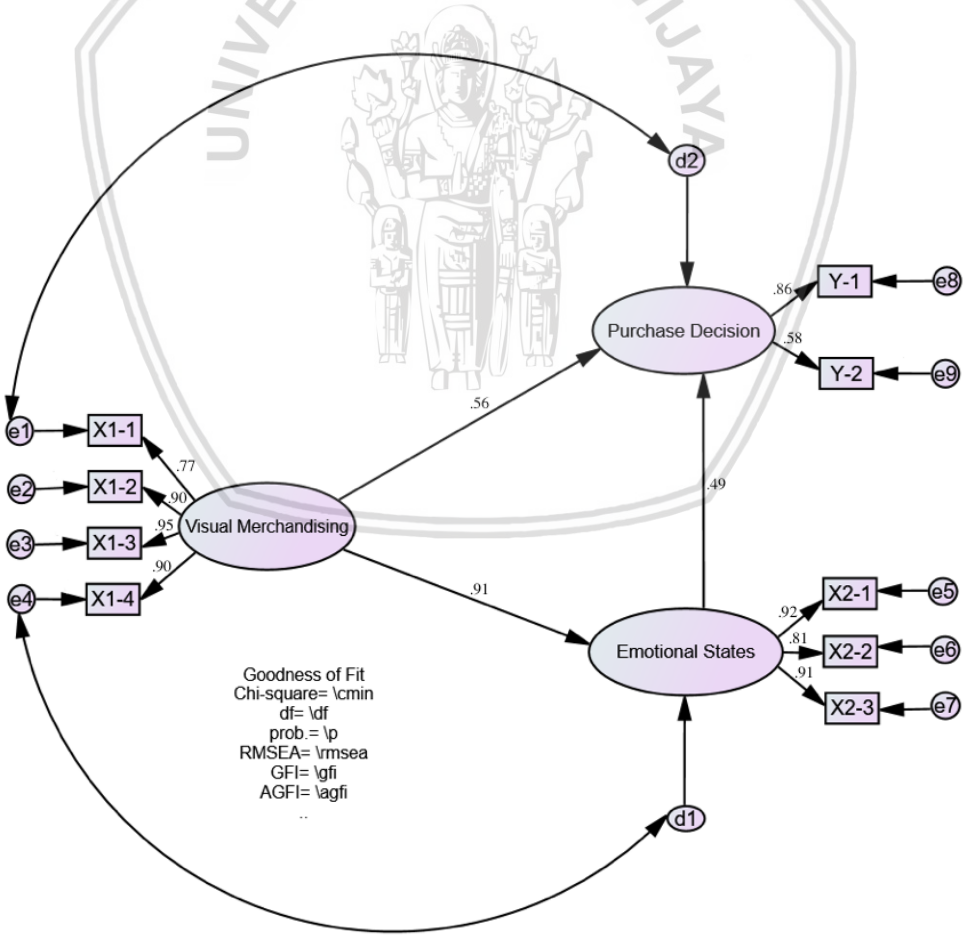
Based on the information in table 4.27, the measurement model analysis generated loading factors value of 0.869 from indicator Approach (Y-1) and 0.585 from indicator Avoidance (Y-2). The probability value of 0.000 (***), in which smaller than the alpha of 0.05 (5%) indicates that each indicator has a significant effect on measuring the variable Purchase Decision.

Based on the loading factor values, the indicator which have the most significant effect on the measurement of variable (Y) and the least significant are Approach and Avoidance respectively. Per the measurement model analysis, Approach is regarded as the Dominant indicator in measuring Purchase Decision. Therefore, indicates that the customer tends to evaluate their purchase decision more significantly based on the aspect of approach. The result also indicates that within IKEA store environment, factors which stimulate the behavior approach are the most apparent and significant. Therefore, significantly influence the customer measurement and perceptions of their respective Purchase Decision.

4.7.3 Structural Model Analysis

Structural model analysis is a part of structural equation modeling in which measures the relationship between variables within the construct. The measurement evaluates the value of asserted arrows within the construct (standardized coefficient), in which shows the direction and significance of the causal relationship between variables (Byrne, 2016). The values therefore, represent both direct and indirect effect significance as a structure and between variables. The research structural model results and analysis are presented as follows:

Figure 4.3 Structural and Measurement Model Result



Source: (Processed Data, 2018)

Based on the information in figure 4.3, the construct, relationship, and both direct and indirect effect (significance), between the research variables are summarized as follows:

Table 4.28 Structural Model Result

Variables	Effect	Standardized Coefficient	P	Identification
Emotional States ← Visual Merchandising	Direct	0.912	0.000	Significant
Purchase Decision ← Visual Merchandising	Direct	0.562	0.000	Significant
Purchase Decision ← Emotional States	Direct	0.495	0.000	Significant
Emotional States ← Visual Merchandising ↓ Purchase Decision	Indirect	0.452	0.000	Significant

Probability value shown indicates significance of that smaller than 0.001, in which presented as three asterisk (***) in the AMOS output

Source: (Processed Data, 2018)

Based on the information in table 4.28, the effects significance between variables are classified into direct and indirect relationship. The analysis is presented as follows:

4.7.3.1 Direct Effect

Visual Merchandising directly influence Emotional States, the directional effect generated a positive coefficient value of 0.912 with a probability value of 0.000 (***), in which smaller than the alpha of 0.05 (5%). The result indicates that there is a significant positive influence of visual merchandising towards emotional

states. Therefore, the greater a customer perceived IKEA's visual merchandising, the greater stimuli of favorable emotional states felt by the customer and vice versa.

Visual Merchandising directly influence Purchase Decision, the directional effect generated a positive coefficient value of 0.562 with a probability value of 0.000 (***), in which smaller than the alpha of 0.05 (5%). The result indicates that there is a significant positive influence of visual merchandising towards purchase decision. Therefore, the greater a customer perceived IKEA's visual merchandising, the more positively the customer evaluates their respective purchase decision and vice versa.

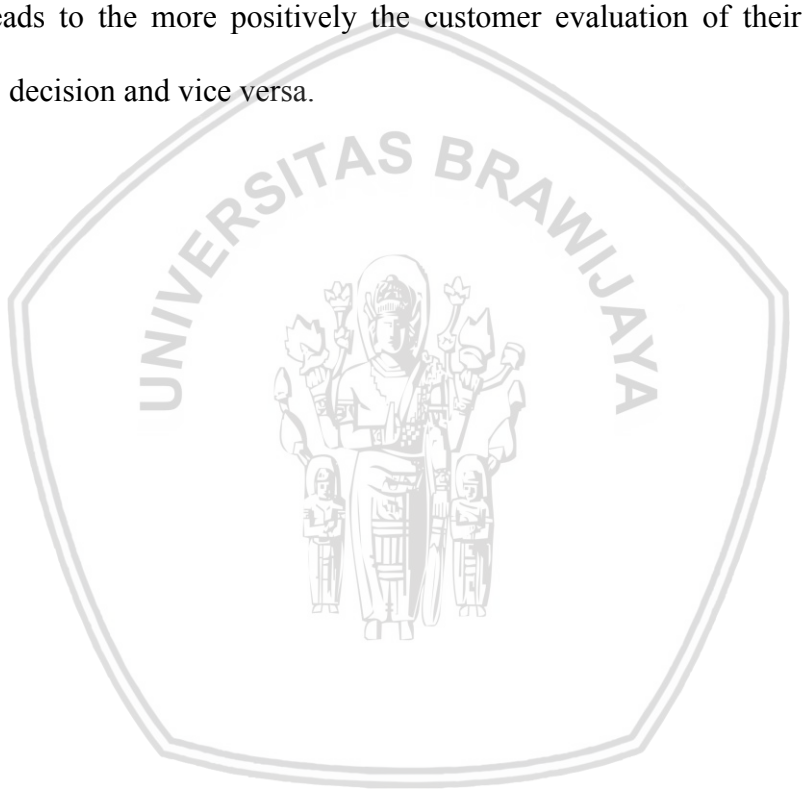
Emotional States directly influence Purchase Decision, the directional effect generated a positive coefficient value of 0.495 with a probability value of 0.000 (***), in which smaller than the alpha of 0.05 (5%). The result indicates that there is a significant positive influence of emotional states towards purchase decision. Therefore, the greater the stimuli of favorable emotional states a customer felt within IKEA retail environment, the more positively the customer evaluates their respective purchase decision and vice versa.

4.7.3.2 Indirect Effect

Visual Merchandising through Emotional States, indirectly influence Purchase Decision. The directional direct effect from visual merchandising towards emotional states, and emotional states towards purchase decision generated positive coefficient value of 0.912 and 0.495 respectively, with a probability value of 0.000 (***), in which smaller than the alpha of 0.05 (5%). The effects therefore, generated

a coefficient value of 0.452 (0.912*0.459), in which explains the positive influence of Visual Merchandising towards Purchase Decision through Emotional States.

The result indicates that there is a significant positive influence of visual merchandising through emotional states towards purchase decision. Therefore, the greater a customer perceived IKEA's visual merchandising, the greater the stimuli of favorable emotional states the customer felt within the retail environment. In which leads to the more positively the customer evaluation of their respective purchase decision and vice versa.



4.8 Research Hypothesis Test Result

By referring to Structural Model results and analysis, in which Structural Equation Modeling hypothesis test result drawn from, therefore the results are presented as follows:

Hypothesis 1: IKEA Visual Merchandising (X1) has a *direct* positive influence on Emotional States (X2).

A direct effect of variable Visual Merchandising on variable Emotional States generated a positive coefficient value of 0.912, and a probability value of 0.000 (***). As positive coefficient value indicates a directional correlation, and a probability value smaller than the alpha of 0.05 (5%) indicates significance, therefore the result indicates that there is a significant positive influence of visual merchandising towards emotional states. Therefore, there are sufficient empirical evidence to support and accept Hypothesis 1 (H1), in which shows that there is a direct positive influence of IKEA's visual merchandising on customer's emotional states.

Hypothesis 2: IKEA Visual Merchandising (X1) has a *direct* positive influence on Purchase Decision (Y).

A direct effect of variable Visual Merchandising on variable Purchase Decision generated a positive coefficient value of 0.562, and a probability value of 0.000 (***). As positive coefficient value indicates a directional correlation, and a probability value smaller than the alpha of 0.05 (5%) indicates significance, therefore the result indicates that there is a significant positive influence of visual merchandising towards purchase decision. Therefore, there are sufficient empirical

evidence to support and accept Hypothesis 2 (H2), in which shows that there is a direct positive influence of IKEA's visual merchandising on customer's purchase decision.

Hypothesis 3: IKEA's customer Emotional States (X2) has a *direct* positive influence on Purchase Decision (Y).

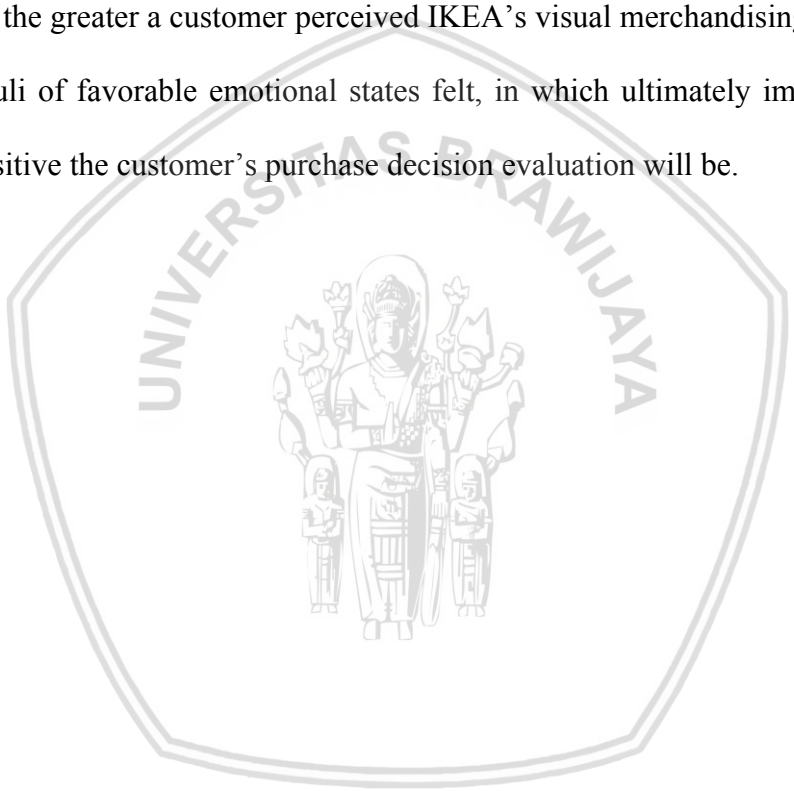
A direct effect of variable Emotional States on variable Purchase Decision generated a positive coefficient value of 0.495, and a probability value of 0.000 (***). As positive coefficient value indicates a directional correlation, and a probability value smaller than the alpha of 0.05 (5%) indicates significance, therefore the result indicates that there is a significant positive influence of emotional states towards purchase decision. Therefore, there are sufficient empirical evidence to support and accept Hypothesis 3 (H3), in which shows that there is a direct positive influence of emotional states felt within IKEA's retail environment on customer's purchase decision.

Hypothesis 4: IKEA Visual Merchandising (X1) has an *indirect* positive influence on Purchase Decision (Y) through the customer Emotional States (X2).

An indirect effect of variable Visual Merchandising on variable Purchase Decision through variable Emotional States, generated a positive coefficient value (0.912*0.495) of 0.452, and a probability value of 0.000 (***). As positive coefficient value indicates a directional correlation, and a probability value smaller than the alpha of 0.05 (5%) indicates significance, therefore the result indicates that

there is a significant positive influence of visual merchandising through emotional states towards purchase decision.

The result therefore, presents that there is sufficient empirical evidence to support and accept Hypothesis 4 (H4). In which shows that there is an indirect positive influence of IKEA's visual merchandising on customer's purchase decision through emotional states felt within IKEA retail environment. Therefore, signifies the greater a customer perceived IKEA's visual merchandising, the better the stimuli of favorable emotional states felt, in which ultimately implies to the more positive the customer's purchase decision evaluation will be.



4.9 Discussion

"The Relationship of Visual Merchandising, Emotional States, and Purchase Decision."

Based on the detailed results generated through Structural Equation Modeling (SEM), variety of aspect such as how each indicator measures its respective variable, how does the influence help measures factors which defines the relationship between the variables, and how does the results translated to the actual practical implications therefore can be derived from. Therefore, the discussion part of the research will dissect information from the research end results to presents, analyze, compare, and drawn conclusion from.

Based on the information presented through Measurement Model Analysis, the results in details shows how each indicator makes up and measures each variable. The indicators, which act as denominators to each variable its asserted to, helps identify specifically what kind of factors and or elements, significantly, moderately, or the least significant in regards of its influence. In which help defines what is important, redundant, and or a burden in regards of further decision making.

Based on the research measurement model result, all of the indicators shown to be essential and significant to the measurement of each respective variable. As results shown positive loading factor values and probabilities of lower than that of alpha 0.05 (5%), indicating the significance and influence of each indicator. Indicators encompasses variable Visual Merchandising (X1) are Storefront, Store Layout, Store Interior, and Interior Display. The dominant indicator is Store Interior (0.953), therefore indicates that IKEA's customer perceived and evaluates IKEA's visual merchandising deliberately based on the store interior aspect. The result

shows that within IKEA retail environment, its store interior traits play an essential and favorable role in conveying positive image, impression, and attachment to its customer. The result is in accordance with a previous research result done by Štursa (2009), which implied that an extensive store interior presentation increases the desire of goods and encourage both impulsive and planned purchase/s. Therefore, signifies the influence of Store Interior to the measurement of IKEA's visual merchandising, as also shows a correlation on how the construct at large influence the other variables within the model.

Indicators encompasses variable Emotional States (X2) are Pleasure, Arousal, and Dominance. The dominant indicator is Pleasure (0.921), therefore indicates that IKEA's customer perceived and evaluates their respective emotional states evaluation in regards of IKEA store (retail environment) deliberately based on the pleasure's stimuli felt.

The result shows that within IKEA retail environment, the stimulation of traits which implies pleasure play an essential role for the customer in further evaluation and decision making within their IKEA consumption process. The result is in accordance with a previous research result done by Baker et al. (2002), which implied that the atmosphere of the environment where the exchange is taking place will have substantial variation of stimuli which affects customer decision making. In which also further confirm studies done by Dawson et al. (1990) and Bitner (1992), which implied a conclusion that a retail products are evaluated more positively within an environment projecting pleasant and favorable emotional responses. Therefore, signifies the influence of Pleasure to the measurement of

variable emotional states, as result shows a correlation on how IKEA's retail environment stimulates traits of pleasure which significantly influence customer emotional states, in which a determinant factor to customer decision making, specifically towards purchase decision.

Indicators encompasses variable Purchase Decision (Y) are Approach and Avoidance respectively. The dominant indicator is Approach (0.869), therefore indicates that IKEA's customer perceived and evaluates their purchase decision evaluation deliberately based on the approach aspect. The result shows that within IKEA's customer buying decision process, the needs of approach generated within the retail store is the determinant factor in deciding whether or not to make a purchase/s.

The sufficient availability and or access of positive impression, interaction, and or information is essential for the customer in order to 'get enticed' to the needs of further approach, which without might translates to the desire of avoiding the environment. Which are supposed to be critically avoided. As the unfavorable situation might potentially generate a negative impression towards the IKEA brand, as implied by Farese et al. (2009), an overall positive experience will attract customer to revisit and vice versa. Therefore, based on the result significant margin between the tendencies of approaching and avoiding, shows that IKEA currently able to manage its traits which implies to the necessary favorable impression.

The result is comparable with a previous research result done by Burns and Neisner (2006), in which implied that emotion has a contribution to customer satisfaction which relates to the desires of further interaction (approach behavior).

Meanwhile, the findings also suggest that cognitive evaluation to contribute more compared to emotion. Therefore, signifies that the approach aspect of purchase decision is highly dependent on the availability and access to interaction and or information that IKEA's able to generates. Compared to depends entirely on a more emotive based factor. In which again, based on the significant loading factors margin between the two polarizing indicators (0.869 and 0.585) of approach and avoidance respectively, shows that within the context of the research, observed customer evaluates IKEA is currently able to provide.

Based on the research structural model result, which are generated and presented along with the measurement model previously discussed, the relationship within variables can be deliberately derived from. The result of the structural model shows how variables relate to one another within the construct through its respective standardized coefficient value and probability value. The generated probability value of 0.000 (***) asserted to each relationship indicates that there is a significant effect from one variable to another. As the significance of each relationship are presented through each asserted standardized coefficient value generated. Therefore, an analysis of how significant a variable effect is to one another, and as a structure can be derived from.

Result shows that there is a direct influence of Visual Merchandising on Emotional States, as it is confirmed in the hypothesis test result. The highly positive value of correlation (0.912) indicates that there is a significant influence of IKEA's visual merchandising aspect perceived by the observed customer, which affect their emotional states. The relationship indicates that the customer perceived IKEA's

visual merchandising attempt positively, in which per positive coefficient can be drawn that IKEA's effort in visual merchandising are favored by its customer. Therefore, made a highly positive influence to emotional states aspect felt by the customer, as also generates an equally significant value (0.562) in regards of influencing the customer purchase decision directly.

The result shows that customer evaluates IKEA's visual merchandising efforts as greatly influential to their respective emotional states and purchase decision evaluation within their consumption process. The results further add to a previous study towards apparel retailers done by Hefer and Cant (2013), which implied that visual merchandising guides customer on subconscious level to the direction of products they are seeking, therefore also guides their decision making. A study by Baker et al. (2002), in addition also implied that the atmosphere of the environment where the exchange is taking place will have a substantial variation of stimuli which affects customer decision making. In conjunction with the aforementioned previous studies, the research results in regards of the direct relationship of emotional states towards purchase decision also shown a positive and significant value (0.495). In which shows that emotional states felt by IKEA's customer is greatly evaluated to the regards of decision making, specifically purchase decision. Which implies to that the more positively the favorable emotional states felt, the higher the rate of purchase/s made.

Each of the aforementioned direct influences are essential in order to be able to measure the indirect influence, as the indirect significance measurement can only be generated by the evaluation of (0.912*0.495), which derived from the direct

relationship of visual merchandising towards emotional states, and emotional states towards purchase decision respectively. Which are calculated as proposed in Baron and Kenny's steps requirement. The result shows that there is an indirect influence of IKEA's visual merchandising towards purchase decision, in which the customer evaluates through their respective emotional states. The research result is in accordance to a previous study done by Spies et al. (1997), which findings implied that within a pleasant store environment, customer impulsively spent more money on products. Through the customer mood as a mediating variable.

Meanwhile, despite of the result which indicates similar and comparable relationship occur, the research indirect relationship significance value (0.452) is relatively smaller than that of the value of direct relationships its derived from, with generated value of 0.912 and 0.495 respectively. Therefore, suggest that although IKEA's customer evaluation of purchase decision is influenced by the visual merchandising through their emotional states, the evaluation is not as significant as the evaluation of purchase decision influenced by either visual merchandising or emotional states directly.

The result indicates that the variable emotional states only took a partial role within the relationship. The measurement of the indirect influence significance as evaluated through the Baron and Kenny's steps requirement, help explain the role and mechanism of emotional states within the relationship. The mediational hypothesis (H4) which are tested both as it is and through the evaluation of the direct hypothesis, shows that each of the direct correlation occurs. Therefore, according to Baron and Kenny (1986), shown the significance as a predictor to each

of the aforementioned correlations. In which also projected that each of the direct relationship is possible and based on the result actually turned out to be more significant, without the inclusion of emotional states as a mediator.

The result therefore shows that based on the Baron and Kenny's steps evaluation criteria, emotional states only partially partake in the entirety of the relationship. In which shows that the inclusion of emotional states plays a partial mediation role to the relationship of visual merchandising towards purchase decision, which therefore the role can be classified as partial mediation. However, the result also suggest that the significance of the correlations is measured to be stronger (more significant) directly. As implied by Cohen et al. (2003), the inclusion and evaluation of mediating variable provides a more elaborate analysis and helps clarify the mechanism and process, in which underlines the relationship between independent variable and dependent variable.

Therefore, it can be said that within the relationship of visual merchandising on purchase decision, emotional states partake a partial mediation role. However, the evaluation of emotional states within the relationship also shown to be less pivotal. As the purchase decision evaluation is perceived more positively without being mediated by emotional states. Therefore, projected that although not to the extent of being a burden and or redundant. The mediation role of emotional states within the relationship as felt in IKEA retail environment, plays a partial role in which not necessarily essential.

The result also indicates that IKEA's customer tends to evaluates their purchase decision whether it is based on visual merchandising or emotional states

aspect of IKEA with separation, despite of how significant the perceived visual merchandising effect is on their emotional states. A similar study by Burns and Neisner (2006), in which findings suggest that cognitive evaluation contribute more compared to emotion, helps put the relationship into perspective. As the research results shows that both cognitive and emotive based influences occur (visual merchandising and emotional states respectively), in which significantly affects IKEA's customer purchase decision. Meanwhile, the customer also tends to directly evaluates each variable more positively as its own, instead of indirectly one through another.

The result's indication of specific customer evaluation of purchase decision can be traced to the fundamentals that each individual customer has its own distinct composition of preferences, background, needs, and approaches. As some individual's decision making can be more based on or even entirely based on either cognitive factors or emotive factors, and or combination of both. The preferences which vary one to another customer, are significantly affecting how they perceived and evaluates things, and which they based on their decision making from. A study by Štursa (2009) brought up the issues, as implied that IKEA's approach of visual merchandising (specifically its showroom styled – room setting display exhibition) can be highly unfavorable when a customer looks for and know the products they are after or need. Which might translate to inefficiency, exhaustion, redundant time consumption, discomfort, and or ineffectiveness, despite on how the approach is what makes IKEA unique and stands out of the typical furniture retailers in the first place.

By putting the similar issues found throughout different researches observing IKEA into perspective, it further confirms that despite of the extensive practical utilization of visual merchandising effort is applicable within a furniture retailer. As the research results shown that the perceptions, evaluations, and effectiveness are highly depending not only to how extensive and consistent IKEA is able to coordinate its resources, instead it is also greatly depending on the evaluation of what kind of needs and preferences of consumption process each individual customer have. Which despite of what IKEA is deliberately set up and trying to convey, and how significant the influences are, it will only be effective as when it is in favor with a customer specific needs and preferences.

Therefore shows, although IKEA's visual merchandising is effective and highly significant on projecting favorable emotional states, the balance utilization and coordination which able to accommodate both customer with a more cognitive and or emotive based preferences is what ultimately influence the customer decision making. Therefore, determines their respective purchase decision.

4.10 Limitation

During the arrangement of this study, several limitations to the regards of the writing and data collecting occurred. In which presented as follows:

1. As this study decided on taking a topic with a conception to that a research object which relatively has not yet been explored extensively. During the collecting and framing stage of the research, in which consisted of gathering and integrating the most fundamental and essential theories, scarcity was met. As mentioned in several occasions within the research, although the fundamentals related to visual merchandising, consumer behavior, and or purchasing decision process are relatively more accessible and therefore also comparable. The same circumstances did not as well translate as the research orientation and its object (within a furniture retailing environment, specifically IKEA) brought into the equation.

Therefore, curating and integrating the most updated, comprehensive, extensive, relevant, and credible references are proven to be relatively more challenging. As the references which possess the aforementioned criteria related specifically to the research topic are proven to be quite scarce.

2. During the arrangement of the research instrument (questionnaire), in order for the instrument to be able to collect a proper data set, to the regards of producing a representative and detailed result through SEM method, some dilemmas were met. SEM was chosen based on its intricacy and capacity to produce the most detailed and precise result. To the regards of that therefore, an equally intricate data set have to be collected. The conditions created a contradiction as the instrument

design and composition have to be coordinated as concise as its practically able to, as its going to be distributed to respondent which are not necessarily have the willingness to participate in an exhaustive and time-consuming survey.

The contradiction, was met with the addition to that the measurement of variable Visual Merchandising on itself already consist of relatively abundant list of items (16) to which each and every are essential. As also, worth noting as mentioned within the point number one, references regarding the theories are quite scarce. Therefore, curating and integrating the readily available resources to creates an instrument in which able to accommodate the scale and intent of this study although not impossible, proven to be a substantial challenge.

3. Another substantial limitation which proven to be exhaustive to overcome are in the form of the invalid data collected. In order to produce the most representative result, this study has chosen to collect 300 sample, in which significantly larger than that of the minimum of only 60 and recommendation of 200. To which the aforementioned requirements were set by referring to the study of Hair et al. (2010). The first wave of data collecting which initiated from July 6th to July 15th able to collect 341 responses, however based on several evaluations to further test its validity, shows that 63 set of responses are invalid.

This case however is somehow predictable and unavoidable, as putting the situation into perspective, it can be seen to that some potential participant filled the questionnaire to the regard of fulfilling the survey alone. Therefore, without a regard to the actual measurement intended within the observation. The setback was

course corrected by launching a second wave of data collecting, initiated from July 16th to July 20th. In which collected 304 usable responses (300 which are used). As mentioned the situation were handled swiftly and properly, however the fact that it incurred an additional effort and significant setback to the research cannot be overlooked.

4.11 Implication

As the proposition to the underlying idea to that the research specifically oriented towards the implication of extensive visual merchandising application within furniture retailing, proposed as the current body of knowledge regarding the topic are dominated by a specific type of industry such as fashion and lifestyle. Meanwhile, the visual merchandising aspects whether purposively utilizes or otherwise are apparent beyond the restraint of the aforementioned industries.

Placing the ideas into perspective shows that the research fundamentally and extensively able to integrates, examines, adds, and expand the current body of knowledge related with the subject. This study by fundamentally relates to and integrates the findings of previous extensive researches, able to both strengthen the essential core along with expanding the perspective. Especially noting the scarcity of the available resources related with the specific of the proposition.

This research while integrates and relates to, on the other end adds to both strengthen and expand studies such as from Burns and Neisner (2006) and Hefer and Cant (2013). The aforementioned studies including another one by Xu and Chen (2017), provided this research with the fundamentals of theories and insights

to the subject, which help solidify the conception of its proposition. Along with that on the other end, results and knowledge in which generated through this study extensively add to the body of knowledge as also brought the subject to a new perspective. Specifically, such as how the results can be turned into a practical utilization and application within a furniture retailing industry such as IKEA. in addition, by putting itself away from the object commonly chosen to the regards of the topic, the study therefore helps extent the current body of knowledge.

This study also helps compare and or reaffirm knowledge produced from a more qualitative research such as done by Štursa (2009). Therefore, important to which both this study and future studies able to examines similar propositions and results through both quantitative and qualitative lenses.

Results of this study also help bridged the gap to a research such as done by Spies et al. (1997). To the length of that a similar topic examined decades ago hypothetically will shows a rather drastic contrast in result and implication, in comparison to which done recently. This study therefore helps putting out the most recent to the continuously updating condition of relationship and interactivity between a retailer and its customer into the collective knowledge. Placing especially technological and communicational advancement to the mix, since it might or might not drastically changes the way a physical retail medium perceived, as introduced and discussed within this study. Specifically, since the concept of visual merchandising has to be measured directly through a physical platform. Therefore, to mention the previously discussed matter which entails to how relevant a physical retail environment still is and to what extent the relevance is on affecting customer

evaluation can be analyzed within a manner which shows how the propositions has developed throughout the decades.

This study therefore, while further relates, integrates, and utilizes the current readily available body of knowledge. On the other end through the result its produced adds, reaffirm, enrich, and extent the subject at large. Especially to a new perspective within the ever-expanding retailing business development. Therefore, as deliberately discussed previously, implicates to that of a grand picture on how the retail customer perceives and evaluates the research subject, as also along provides cues to how the retailing business can improve its operation. While doing so strengthen and enrich the existing body of knowledge by both integrating and contributing to the topic at large.

CHAPTER V

CONCLUSION AND RECOMMENDATION

5.1 Conclusion

The chapter derived information from the research results and discussion to conclude the research. Therefore, can be drawn conclusions presented as follows:

1. There is a direct significant positive influence of Visual Merchandising on Emotional States. Therefore, the more favorable a customer perception is on IKEA visual merchandising, the more favorable emotional states felt.

2. There is a direct significant positive influence of Visual Merchandising on Purchase Decision. Therefore, the more favorable a customer perception is on IKEA visual merchandising, the more positive the evaluation of purchase decision made.

3. There is a direct significant positive influence of Emotional States on Purchase Decision. Therefore, the more favorable emotional states a customer felt within IKEA retail environment, lead to a more positive evaluation of purchase decision made.

4. There is an indirect significant positive influence of Visual Merchandising on Purchase Decision through Emotional States. Therefore, the more favorable a customer perception is on IKEA visual merchandising, the more favorable emotional states the customer felt within IKEA retail environment, along with a more positive evaluation of purchase decision being made.

5. IKEA's customer perceives and evaluates the influence of IKEA's extensive visual merchandising efforts on their emotional states significantly positive. Meanwhile, the significant effect is not necessarily influencing other evaluations as significantly.

6. Both visual merchandising and emotional states perceived and evaluated within IKEA retail environment, significantly influence the customer purchase decision positively. Meanwhile, IKEA's customer tends to perceive and evaluate the influences even more positively as its own separately, instead of one through another. In which highly based on the individual needs, appeal, and or preferences.

Therefore, also shows that each of the direct relationships exist even without the inclusion of Emotional States as a mediator. In which shows that the inclusion of emotional states only partakes parts within the relationship as its entirety. Therefore, implied to that the inclusion of emotional states plays the role of partial mediation within the structure as a whole.

5.2 Recommendation

Based on the concluded research results, this study suggests several recommendations as follows:

For Future Study

1. Future studies decided to add this research as a reference have to take note to that the extensive visual merchandising utilization previously well-known extensively applied within the fashion and lifestyle industries, are optimally applied by IKEA. Meanwhile, the actual extensive application within what deemed a typical-traditional furniture industry at large need further observations. Therefore, this research cannot be entirely used to represent the furniture industry as a whole.

2. Future studies with similar scope of observation can extent the measurement of purchase decision by integrating more items in regards of measuring avoidance. Therefore, future observations will be able to further analyze if whether a customer purchase decision is based entirely on how they perceived both behavior as it is, or if there are other factor in the evaluation of purchase decision. As it is not a rare occasion that a customer might still ended up with a purchase/s despite of the occurring desire to avoid the brand and or retail environment.

3. Future studies with similar scope of observation can extent the measurement of purchase decision by adding and integrating items in regards of measuring customer revisit intention. Therefore, future observations will be able to analyze if whether the evaluations influencing customer to make a purchase/s will affect the consumption process further. Especially in relation to the post purchase behavior

aspect, as the step directly followed the purchase decision step within the customer purchasing decision process.

For IKEA Indonesia

1. IKEA can improve its coordination of the visual merchandising efforts to be able to better generate traits in which well accommodate every customer type of needs and preferences. Whether it is a customer with a more cognitive or emotive based evaluation. As in example, not every customer possesses the needs, resources, and or appeal to the currently showroom styled exhibition store layout IKEA applied. IKEA can initiate approach such as integrating 'fast route' to accommodate customer in which for variety of reasons do not have the intention and or resources to walk through the entire exhibition. Therefore, customer and or frequent customer are provided with both option and access to how they decided to interact with the retail environment.

2. IKEA can also provide customer with an in-store electronic catalogue, therefore customer would be able to swiftly and directly assess availability, pick up point, and or point of purchase without have to feel 'forcibly' walk through the entire retail space to access the information.

3. As a follow up to previous recommendation, IKEA can improve its coordination of the visual merchandising efforts to be able to better generate traits in which stimulate impulsive purchase decision. Despite of how its current visual merchandising approach is 'unique' and favorable to many, as effectively being

able to generates highly favorable emotional states is great, it is not necessarily the only determinant aspect for customer to actually made a continuous purchase/s.

In accordance with the argument, IKEA can update its current arrangement orienting specifically to generate more sales. To tackle this issues IKEA can install more and or multiple point of purchase throughout several points within the exhibition and retail space. As opposed to the current placement in which require customer to go through substantial parts of the exhibition to access the point of purchase at the very end. As the current placement might be received as exhaustive and impractical, it might also diminish potential sales. Both caused by the aforementioned, as well as without an immediate access to transaction, the 'impulsive rush' will started to steadily declines. Which lead to customer reevaluating the potential purchase/s. In which missed one of the core intent of why the extensive visual merchandising arranged in the first place.

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APPENDICES

Appendix 1: Instrument (English Questionnaire)

Halo!

Perkenalkan nama saya Yustaminhaj Krisanda, mahasiswa aktif jurusan Management, Fakultas Ekonomi dan Bisnis Universitas Brawijaya. Saat ini Saya sedang dalam proses penyusunan skripsi yang merupakan salah satu syarat untuk menyelesaikan studi di jurusan Management tersebut. Sehubungan dengan itu, Saya meminta sedikit waktu anda untuk berpartisipasi dengan mengisi kuesioner untuk penelitian dengan fokus studi IKEA Indonesia ini.

Judul penelitian ini adalah "The Effects of Visual Merchandising on Purchase Decision through Emotional States as Mediating Variable (A Study on IKEA Indonesia)". Informasi yang diperoleh dari kuesioner ini hanya akan di proses untuk mendukung penyusunan penelitian tersebut, kerahasiaan dari informasi tidak akan dipergunakan dan atau dipublikasikan untuk subject lain.

Untuk waktu dan partisipasi anda, Saya mengucapkan banyak terima kasih. Have a nice day ahead!

Respondent Requirements
(YOU CAN ONLY PROCEED WHEN ALL ANSWERS ARE YES)

1. Are you someone whom routinely visit, ever visit, or live within Tangerang area? (Yes / No)

2. Are you someone whom is over 18 years old? (Yes / No)

3. Have you ever visited IKEA Alam Sutera Store? (Yes / No)

4. Have you ever made purchases from IKEA Alam Sutera Store? (Yes / No)

Respondent Identity

1. Are you a male or a female? (a) Male, (b) Female,

2. Where is your current age falls between?
   (a) 19-26, (b) 27-34,
   (c) 35-42, (d) 43-50,
   (e) Above 50

3. What is your current occupation?
   (a) Student,
   (b) Employed (Public),
   (c) Employed (Private),
   (d) Entrepreneur,
   (e) Others. Please Specify:
   _____

4. Where is your monthly income/allowance falls between? (in IDR)
   (a) < 5 000 000, (b) 5 000 000 – 10 000 000,
   (c) 10 000 000 – 15 000 000, (d) > 15 000 000

5. Do you reside within or outside of Tangerang area?
   (a) Within, (b) Outside

Likert

Please deliberately choose answers based on your closest preference within the options presented below.

SA: Strongly Agree
A: Agree
N: Neutral /Neither Agree or Disagree
D: Disagree
SD: Strongly Disagree

No	Question	Answer				
Storefront		SD	D	N	A	SA
1	IKEA storefront is welcoming, attractive and interesting					
2	IKEA storefront is easily distinguishable from its surrounding					
3	IKEA storefront is well associated with the brand and its retailing business					
4	IKEA storefront is easily recognizable and leaves an impression					
5	IKEA storefront provides adequate information and access to the store					
Store Layout						
6	IKEA store layout is welcoming, attractive, and interesting					
7	IKEA store layout is well associated with the brand and its business					
8	IKEA store layout provides adequate information and access to its products					
9	IKEA store layout provides adequate access to explore and browse the store					
Store Interior						

10	IKEA store interior makes its products more attractive and interesting					
11	IKEA store interior provides adequate information and access to the products					
12	IKEA store interior makes me want to own the products					
13	IKEA store interior is easily recognizable and leaves an impression of the brand					
Interior Display						
14	IKEA interior display provides adequate access to explore and browse the products					
15	IKEA interior display provides adequate information and access to the products					
16	IKEA interior display is easily recognizable and leaves an impression of the brand					
Pleasure						
17	IKEA store exhibition gives me a sense of pleasure, joy, and or delight					
Arousal						
18	IKEA store exhibition makes me want to further interact with the product, store clerk, and or the store (exhibition)					
Dominance						
19	IKEA store exhibition gives me a sense of familiarity and comfort					
Approach						
20	IKEA store leaves a positive image and impressions and it helps me made a purchase/s					

21	The adequate information and access to the IKEA store exhibition and its products helps me made a purchase/s					
22	The adequate sense of comfort and interactions to the IKEA store exhibition and its products helps me made a purchase/s					
Avoidance						
23	If IKEA store leaves a negative image and impressions, it makes me don't want to purchase its products					
24	If IKEA store failed to provide adequate information and access to its exhibition and products, it makes me don't want to purchase its products					
25	If IKEA store is not comfortable, it makes me don't want to interact further and purchase its products					

Thank you so much for the cooperation on the questionnaire for the *"The Effects of Visual Merchandising on Purchase Decision through Emotional States as Mediating Variable (A Study on IKEA Indonesia)"* research.

The questionnaire results will be kept strictly confidential and will only be utilized to the purpose of the research.

Best regards –Author

Appendix 2: Instrument (Bahasa Questionnaire)

Halo!

Perkenalkan nama saya Yustaminhaj Krisanda, mahasiswa aktif jurusan Management, Fakultas Ekonomi dan Bisnis Universitas Brawijaya. Saat ini Saya sedang dalam proses penyusunan skripsi yang merupakan salah satu syarat untuk menyelesaikan studi di jurusan Management tersebut. Sehubungan dengan itu, Saya meminta sedikit waktu anda untuk berpartisipasi dengan mengisi kuesioner untuk penelitian dengan fokus studi IKEA Indonesia ini.

Judul penelitian ini adalah "The Effects of Visual Merchandising on Purchase Decision through Emotional States as Mediating Variable (A Study on IKEA Indonesia)". Informasi yang diperoleh dari kuesioner ini hanya akan di proses untuk mendukung penyusunan penelitian tersebut, kerahasiaan dari informasi tidak akan dipergunakan dan atau dipublikasikan untuk subject lain.

Untuk waktu dan partisipasi anda, Saya mengucapkan banyak terima kasih. Have a nice day ahead!

Respondent Requirements
(ANDA BISA MELANJUTKAN JIKA SEMUA JAWABAN ADALAH YA)

1. Apakah anda rutin mengunjungi, pernah mengunjungi, dan atau hidup di wilayah Tangerang? (Ya / Tidak)

2. Apakah anda seseorang yang berumur diatas 18 tahun? (Ya / Tidak)

3. Apakah anda pernah mengunjungi store IKEA Alam Sutera? (Ya / Tidak)

4. Apakah anda pernah melakukan pembelian dari store IKEA Alam Sutera? (Ya / Tidak)

Respondent Identity

1. Apakah anda seorang Pria atau Wanita? (a) Pria, (b) Wanita,

2. Dimanakah usia anda saat ini jatuh dalam pilihan dibawah?
   (a) 19-26 Tahun, (b) 27-34 Tahun,
   (c) 35-42 Tahun, (d) 43-50 Tahun,
   (e) Diatas 50 Tahun

3. Apakah okupasi/pekerjaan anda saat ini?
   (a) Pelajar atau Mahasiswa/i,
   (b) Pegawai (Pemerintah/BUMN/BUMD),
   (c) Pegawai (Swasta),
   (d) Wirausaha/Wiraswasta,
   (e) Lainnya. Tolong Sebutkan: _____

4. Dimanakah penghasilan atau pendapatan bulanan anda jatuh dalam pilihan dibawah? (in IDR)
   (a) < 5 000 000, (b) 5 000 000 – 10 000 000,
   (c) 10 000 000 – 15 000 000, (d) > 15 000 000

5. Apakah anda berdomisili didalam atau diluar wilayah Tangerang?
   (a) DIdalam, (b) Diluar

Likert

Silahakan memilih pilihan yang paling sesuai dengan jawaban anda dalam bagian pilihan dibawah ini.

SS: Sangat Setuju
S: Setuju
N: Netral
T: Tidak Setuju
ST: Sangat Tidak Setuju

No	Question	Answer				
Storefront		ST	T	N	S	SS
1	Eksterior/bagian depan toko IKEA menarik, unik, dan bersifat mengundang					
2	Eksterior/bagian depan toko IKEA mudah dibedakan dari lingkungan sekitarnya					
3	Eksterior/bagian depan toko IKEA terasosiasikan dengan baik terhadap brand dan bisnis retail yang dijalankan					
4	Eksterior/bagian depan toko IKEA mudah dikenali dan meninggalkan kesan					
5	Eksterior/bagian depan toko IKEA menyediakan cukup informasi dan akses ke dalam toko					
Store Layout						
6	Tata letak dalam toko IKEA menarik, unik, dan bersifat mengundang					
7	Tata letak dalam toko IKEA terasosiasikan dengan baik terhadap brand dan bisnis retail yang dijalankan					
8	Tata letak dalam toko IKEA menyediakan cukup informasi dan akses terhadap produk produk nya					

9	Tata letak dalam toko IKEA menyediakan cukup akses untuk menjelajahi dan menelusuri dalam toko					
Store Interior						
10	Bagian dalam toko IKEA membuat produk produk nya semakin menarik dan unik					
11	Bagian dalam toko IKEA menyediakan cukup informasi dan akses terhadap produk produk nya					
12	Bagian dalam toko IKEA membuat saya menginginkan produk produk nya					
13	Bagian dalam toko IKEA mudah dikenali dan meningalkan kesan terhadap brand					
Interior Display						
14	Tampilan dalam toko IKEA menyediakan cukup akses untuk menjelajahi dan menelusuri produk produk nya					
15	Tampilan dalam toko IKEA menyediakan cukup informasi dan akses terhadap produk produk nya					
16	Tampilan dalam toko IKEA mudal dikenali dan meningalkan kesan terhadap brand					
Pleasure						
17	Keseluruhan ekshibisi (exhibition) toko IKEA menimbulkan rasa senang dan puas					
Arousal						
18	Keseluruhan ekshibisi (exhibition) toko IKEA membuat saya lebih berinteraksi dengan produk produk nya, staff, dan toko					
Dominance						
19	Keseluruhan ekshibisi (exhibition) toko IKEA menimbulkan rasa familiar dan nyaman					
Approach						

20	Toko IKEA meninggalkan gambaran dan kesan yang positif, dan membuat saya melakukan pembelian					
21	Tersedianya informasi dan akses yang cukup terhadap toko dan produk produk di toko IKEA membuat saya melakukan pembelian					
22	Toko IKEA yang interaktif dan nyaman membuat saya melakukan pembelian					
Avoidance						
23	Jika toko IKEA meninggalkan gambaran dan kesan yang negatif, membuat saya tidak ingin melakukan pembelian					
24	Jika toko IKEA tidak menyediakan informasi dan akses yang cukup terhadap toko dan produk produk nya, membuat saya tidak ingin melakukan pembelian					
25	Jika toko IKEA tidak interaktif dan tidak nyaman akan membuat saya tidak ingin melakukan pembelian					

Thank you so much for the cooperation on the questionnaire for the *"The Effects of Visual Merchandising on Purchase Decision through Emotional States as Mediating Variable (A Study on IKEA Indonesia)"* research.

The questionnaire results will be kept strictly confidential and will only be utilized to the purpose of the research.

Best regards –Author

Appendix 3: Instrument Tests Results

Validity Test

Correlations

		Item_1	Item_2	Item_3	Item_4	Item_5	Item_6	Item_7	Item_8	Item_9	Item_10	Item_11	Item_12	Item_13	Item_14	Item_15	Item_16	Item_17	Item_18	Item_19	Item_20	Item_21	Item_22	Score
Item_1	Pearson Correlation	1	.609**	.844**	.698**	.402*	.269	.519**	.293	.111	.161	.466**	.365*	.188	.461*	.566**	.200	.356	.004	.131	.414*	.379*	.246	.640**
	Sig. (2-tailed)		.000	.000	.000	.028	.150	.003	.117	.560	.394	.009	.047	.320	.010	.001	.290	.053	.983	.491	.023	.039	.191	.000
	N	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30
Item_2	Pearson Correlation	.609**	1	.576**	.415*	.231	.201	.455*	.336	.283	.049	.227	.128	-.009	.510**	.481**	.199	.184	.094	.079	.254	.285	.232	.495**
	Sig. (2-tailed)	.000		.001	.023	.219	.288	.011	.069	.129	.799	.228	.502	.964	.004	.007	.293	.332	.620	.679	.175	.127	.217	.005
	N	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30
Item_3	Pearson Correlation	.844**	.576**	1	.602**	.292	.289	.669**	.451*	.275	.084	.334	.344	.155	.434*	.403*	.225	.385*	.099	.273	.367*	.198	-.009	.613**
	Sig. (2-tailed)	.000	.001		.000	.117	.121	.000	.012	.142	.658	.071	.062	.414	.017	.027	.233	.036	.602	.144	.046	.295	.962	.000
	N	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30
Item_4	Pearson Correlation	.698**	.415*	.602**	1	.329	.324	.523**	.225	.169	.330	.478**	.222	.437*	.429*	.413*	.464**	.296	-.105	.217	.410*	.420*	.374*	.634**
	Sig. (2-tailed)	.000	.023	.000		.076	.081	.003	.231	.372	.075	.008	.239	.016	.018	.023	.010	.112	.580	.248	.024	.021	.042	.000
	N	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30
Item_5	Pearson Correlation	.402*	.231	.292	.329	1	.426*	.339	.520**	.283	.026	.512**	.421*	.701**	.357	.352	.275	.260	.232	.200	.467**	.387*	.426*	.620**
	Sig. (2-tailed)	.028	.219	.117	.076		.019	.067	.003	.130	.892	.004	.020	.000	.052	.056	.142	.166	.217	.288	.009	.035	.019	.000
	N	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30
Item_6	Pearson Correlation	.269	.201	.289	.324	.426*	1	.709**	.338	.368*	.173	.226	.170	.344	.255	.199	.047	.268	.311	.000	.149	.289	.282	.485**
	Sig. (2-tailed)	.150	.288	.121	.081	.019		.000	.068	.045	.360	.229	.370	.062	.173	.293	.806	.153	.094	1.000	.431	.122	.131	.007
	N	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30
Item_7	Pearson Correlation	.519**	.455*	.669**	.523**	.339	.709**	1	.573**	.545**	.262	.380*	.390*	.363*	.554**	.378*	.320	.500**	.337	.298	.324	.230	.145	.714**
	Sig. (2-tailed)	.003	.011	.000	.003	.067	.000		.001	.002	.162	.038	.033	.049	.001	.040	.085	.005	.069	.109	.081	.222	.444	.000
	N	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30
Item_8	Pearson Correlation	.293	.336	.451*	.225	.520**	.338	.573**	1	.403*	.197	.666**	.613**	.577**	.505**	.461*	.400*	.685**	.407*	.729**	.607**	.308	.310	.760**
	Sig. (2-tailed)	.117	.069	.012	.231	.003	.068	.001		.027	.297	.000	.000	.001	.004	.010	.029	.000	.026	.000	.000	.098	.096	.000
	N	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30
Item_9	Pearson Correlation	.111	.283	.275	.169	.283	.368*	.545**	.403*	1	.214	.179	.191	.263	.633**	.316	.513**	.317	.527**	.265	.273	.336	.160	.538**
	Sig. (2-tailed)	.560	.129	.142	.372	.130	.045	.002	.027		.255	.343	.313	.160	.000	.089	.004	.087	.003	.157	.145	.070	.399	.002
	N	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30
Item_10	Pearson Correlation	.161	.049	.084	.330	.026	.173	.262	.197	.214	1	.531**	.278	.250	.558**	.630**	.266	.478**	.204	.386*	.326	.227	.588**	.496**
	Sig. (2-tailed)	.394	.799	.658	.075	.892	.360	.162	.297	.255		.003	.137	.182	.001	.000	.155	.008	.280	.035	.079	.228	.001	.005
	N	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30
Item_11	Pearson Correlation	.466**	.227	.334	.478**	.512**	.226	.380*	.666**	.179	.531**	1	.703**	.614**	.561**	.745**	.458*	.666**	.095	.515**	.774**	.467**	.632**	.800**
	Sig. (2-tailed)	.009	.228	.071	.008	.004	.229	.038	.000	.343	.003		.000	.000	.001	.000	.011	.000	.616	.004	.000	.009	.000	.000
	N	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30
Item_12	Pearson Correlation	.365*	.128	.344	.222	.421*	.170	.390*	.613**	.191	.278	.703**	1	.386*	.439*	.538**	.212	.759**	.185	.450*	.629**	.245	.347	.644**
	Sig. (2-tailed)	.047	.502	.062	.239	.020	.370	.033	.000	.313	.137	.000		.035	.015	.002	.262	.000	.328	.013	.000	.193	.060	.000
	N	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30
Item_13	Pearson Correlation	.188	-.009	.155	.437*	.701**	.344	.363*	.577**	.263	.250	.614**	.386*	1	.356	.306	.454*	.376*	.201	.345	.513**	.400*	.537**	.634**
	Sig. (2-tailed)	.320	.964	.414	.016	.000	.062	.049	.001	.160	.182	.000	.035		.053	.100	.012	.041	.288	.062	.004	.028	.002	.000
	N	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30
Item_14	Pearson Correlation	.461*	.510**	.434*	.429*	.357	.255	.554**	.505**	.633**	.558**	.561**	.439*	.356	1	.846**	.517**	.658**	.452*	.472**	.584**	.541**	.454*	.817**
	Sig. (2-tailed)	.010	.004	.017	.018	.052	.173	.001	.004	.000	.001	.001	.015	.053		.000	.003	.000	.012	.008	.001	.002	.012	.000
	N	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30
Item_15	Pearson Correlation	.566**	.481**	.403*	.413*	.352	.199	.378*	.461*	.316	.630**	.745**	.538**	.306	.846**	1	.480**	.717**	.300	.439*	.639**	.573**	.583**	.801**
	Sig. (2-tailed)	.001	.007	.027	.023	.056	.293	.040	.010	.089	.000	.000	.002	.100	.000		.007	.000	.108	.015	.000	.001	.001	.000
	N	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30
Item_16	Pearson Correlation	.200	.199	.225	.464**	.275	.047	.320	.400*	.513**	.268	.459*	.212	.454*	.517**	.480**	1	.471**	.213	.440*	.464**	.505**	.276	.595**
	Sig. (2-tailed)	.290	.293	.233	.010	.142	.806	.085	.029	.004	.155	.011	.262	.012	.003	.007		.009	.258	.015	.010	.004	.140	.001
	N	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30
Item_17	Pearson Correlation	.356	.184	.385*	.296	.260	.268	.500**	.685**	.317	.478**	.666**	.759**	.376*	.658**	.717**	.471**	1	.330	.648**	.607**	.396*	.310	.754**
	Sig. (2-tailed)	.053	.332	.036	.112	.166	.153	.005	.000	.087	.008	.000	.000	.041	.000	.000	.009		.075	.000	.000	.030	.096	.000
	N	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30
Item_18	Pearson Correlation	.004	.094	.099	-.105	.232	.311	.337	.407*	.527**	.204	.095	.185	.201	.452*	.300	.213	.330	1	.395*	.046	.157	.122	.393*
	Sig. (2-tailed)	.983	.620	.602	.580	.217	.094	.069	.026	.003	.280	.616	.328	.288	.012	.108	.258	.075		.031	.807	.407	.522	.032
	N	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30
Item_19	Pearson Correlation	.131	.079	.273	.217	.200	.000	.298	.729**	.265	.386*	.515**	.450*	.345	.472**	.439*	.440*	.648**	.395*	1	.551**	.272	.251	.595**
	Sig. (2-tailed)	.491	.679	.144	.248	.288	1.000	.109	.000	.157	.035	.004	.013	.062	.008	.015	.015	.000	.031		.002	.147	.180	.001
	N	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30
Item_20	Pearson Correlation	.414*	.254	.367*	.410*	.467**	.149	.324	.607**	.273	.326	.774**	.629**	.513**	.584**	.639**	.464**	.607**	.046	.551**	1	.566**	.542**	.745**
	Sig. (2-tailed)	.023	.175	.046	.024	.009	.431	.081	.000	.145	.079	.000	.000	.004	.001	.000	.010	.000	.807	.002		.001	.002	.000
	N	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30
Item_21	Pearson Correlation	.379*	.285	.198	.420*	.387*	.289	.230	.308	.336	.227	.467**	.245	.400*	.541**	.573**	.505**	.396*	.157	.272	.566**	1	.516**	.614**
	Sig. (2-tailed)	.039	.127	.295	.021	.035	.122	.222	.098	.070	.228	.009	.193	.028	.002	.001	.004	.030	.407	.147	.001		.004	.000
	N	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30
Item_22	Pearson Correlation	.246	.232	-.009	.374*	.426*	.282	.145	.310	.160	.588**	.632**	.347	.537**	.454*	.583**	.276	.310	.122	.251	.542**	.516**	1	.584**
	Sig. (2-tailed)	.191	.217	.962	.042	.019	.131	.444	.096	.399	.001	.000	.060	.002	.012	.001	.140	.096	.522	.180	.002	.004		.001
	N	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30
Score	Pearson Correlation	.640**	.495**	.613**	.634**	.620**	.485**	.714**	.760**	.538**	.496**	.800**	.644**	.634**	.817**	.801**	.595**	.754**	.393*	.585**	.745**	.614**	.584**	1
	Sig. (2-tailed)	.000	.005	.000	.000	.000	.007	.000	.000	.002	.005	.000	.000	.000	.000	.000	.001	.000	.032	.001	.000	.000	.001	
	N	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

5% (Table) r Value of	(Calculated) r Value of	Verdict
0.374	A2/ .393 to .817	Valid

Reliability Test

Case Processing Summary

		N	%
Cases	Valid	30	100.0
	Excluded[a]	0	.0
	Total	30	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.928	22

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Item_1	82.20	83.062	.586	.925
Item_2	81.60	86.455	.439	.928
Item_3	82.13	83.844	.558	.926
Item_4	82.00	84.000	.585	.925
Item_5	82.40	83.559	.564	.926
Item_6	82.13	86.120	.423	.928
Item_7	82.10	83.128	.674	.923
Item_8	82.17	83.247	.728	.922
Item_9	82.17	86.557	.491	.927
Item_10	82.03	87.482	.451	.927
Item_11	82.30	81.803	.770	.921
Item_12	82.27	84.133	.598	.925
Item_13	82.20	83.614	.582	.925
Item_14	82.20	82.234	.791	.921
Item_15	82.27	83.444	.777	.922
Item_16	82.20	84.648	.543	.926
Item_17	82.17	83.316	.722	.923
Item_18	82.30	87.803	.331	.929
Item_19	82.07	85.651	.539	.926
Item_20	82.13	84.464	.716	.923
Item_21	82.23	85.840	.573	.925
Item_22	82.13	85.706	.537	.926

Reliability /A2
/Variables /Indicators

Visual Merchandising

Storefront

Reliability Statistics

Cronbach's Alpha	N of Items
.833	5

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Item_1	16.13	5.016	.856	.730
Item_2	15.53	6.395	.571	.817
Item_3	16.07	5.444	.756	.764
Item_4	15.93	5.926	.654	.794
Item_5	16.33	6.644	.372	.872

Store Layout

Reliability Statistics

Cronbach's Alpha	N of Items
.795	4

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Item_1	11.77	2.668	.586	.756
Item_2	11.73	2.340	.807	.632
Item_3	11.80	2.993	.524	.782
Item_4	11.80	3.131	.526	.781

Store Interior

Reliability Statistics

Cronbach's Alpha	N of Items
.776	4

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Item_1	11.43	3.495	.417	.795
Item_2	11.70	2.286	.843	.567
Item_3	11.67	2.782	.579	.723
Item_4	11.60	2.731	.522	.759

Interior Display

Reliability Statistics

Cronbach's Alpha	N of Items
.819	3

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Item_1	7.67	1.333	.774	.641
Item_2	7.73	1.513	.753	.681
Item_3	7.67	1.540	.520	.913

Emotional States

Reliability Statistics

Cronbach's Alpha	N of Items
.714	3

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Item_1	7.77	1.220	.580	.566
Item_2	7.90	1.403	.399	.786
Item_3	7.67	1.195	.637	.496

Purchase Decision

Approach Behavior

Reliability Statistics

Cronbach's Alpha	N of Items
.778	3

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Item_1	7.77	1.151	.636	.679
Item_2	7.87	1.154	.614	.701
Item_3	7.77	1.082	.598	.723

Avoidance Behavior

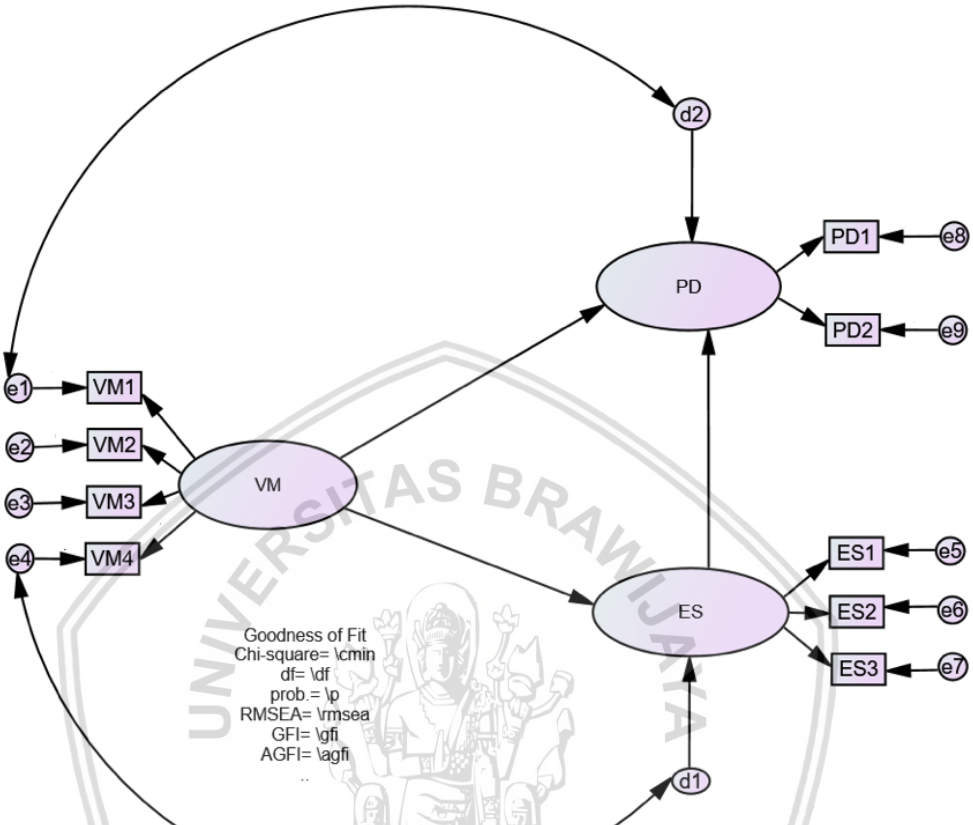
Reliability Statistics

Cronbach's Alpha	N of Items
.850	3

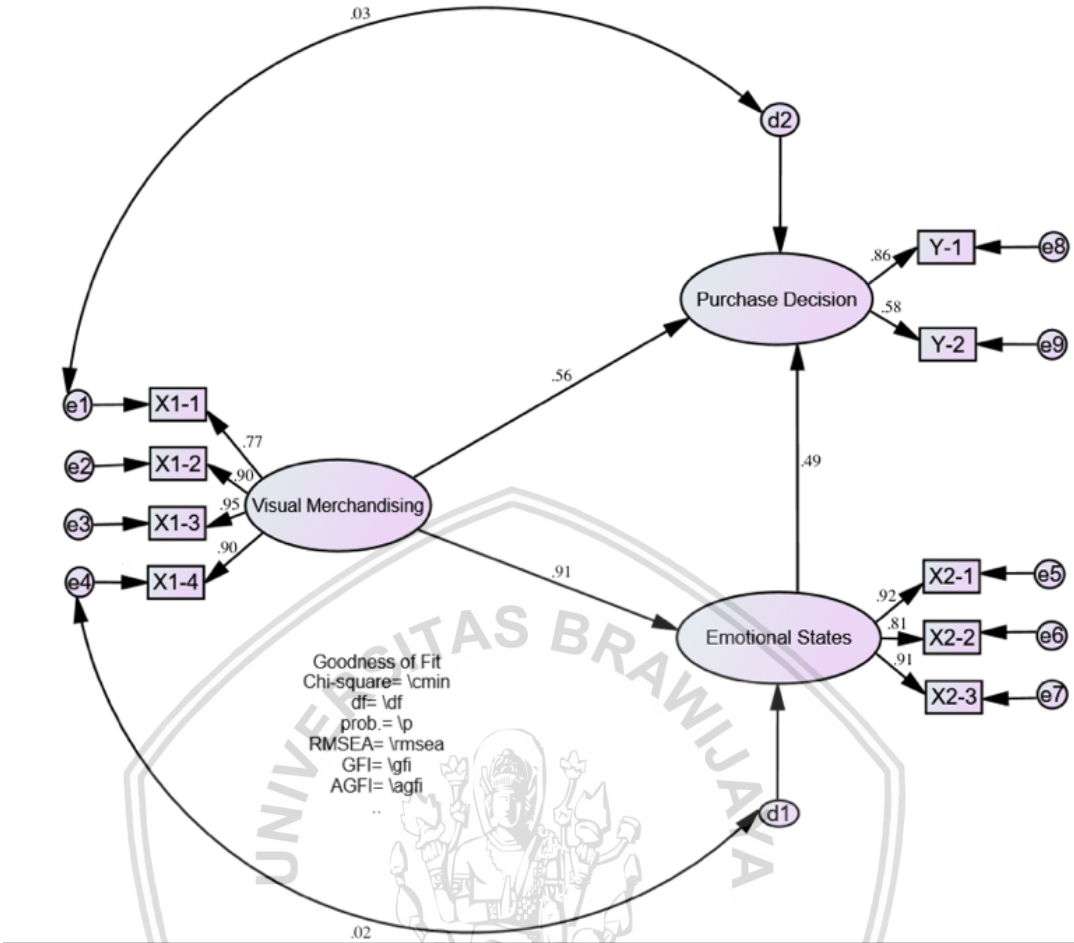
Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Item_1	4.53	2.189	.799	.718
Item_2	4.13	2.602	.594	.901
Item_3	4.40	1.903	.789	.725

Appendix 4: AMOS Output (Structural Equation Modeling data)



***presented are variables name**



***presented are variables label**

Analysis Summary

Date and Time

Date: Monday, August 6, 2018
Time: 3:38:52 PM

Title

Op1: Monday, August 6, 2018 3:38 PM

Notes for Group (Group number 1)

The model is recursive.
Sample size = 300

Variable Summary (Group number 1)

Your model contains the following variables (Group number 1)

Observed, endogenous variables
VM4
VM3
VM2
VM1
ES1
ES2
ES3
PD1
PD2

Unobserved, endogenous variables
ES
PD

Unobserved, exogenous variables
VM
e4
e3
e2
e1
e5
e6
e7
e8
e9
d2
d1

Variable counts (Group number 1)

Number of variables in your model:	23
Number of observed variables:	9
Number of unobserved variables:	14
Number of exogenous variables:	12
Number of endogenous variables:	11

Parameter Summary (Group number 1)

	Weights	Covariances	Variances	Means	Intercepts	Total
Fixed	14	0	0	0	0	14
Labeled	0	0	0	0	0	0

	Weights	Covariances	Variances	Means	Intercepts	Total
Unlabeled	9	2	12	0	0	23
Total	23	2	12	0	0	37

Assessment of normality (Group number 1)

Variable	min	max	skew	c.r.	kurtosis	c.r.
PD2	1.000	5.000	-.876	-6.195	1.260	4.454
PD1	1.000	5.000	-.887	-6.272	1.475	5.215
ES3	1.000	5.000	-.796	-5.630	.975	3.446
ES2	1.000	5.000	-.774	-5.472	.627	2.217
ES1	1.000	5.000	-.658	-4.654	.263	.931
VM1	1.000	5.000	-.974	-6.889	1.898	6.711
VM2	1.000	5.000	-.892	-6.305	1.259	4.452
VM3	1.000	5.000	-.910	-6.435	1.580	5.585
VM4	1.667	5.000	-.582	-4.114	.272	.961
Multivariate					57.989	35.690

Observations farthest from the centroid (Mahalanobis distance) (Group number 1)

Observation number	Mahalanobis d-squared	p1	p2
67	84.181	.000	.000
18	41.849	.000	.000
101	36.264	.000	.000
295	34.649	.000	.000
133	32.581	.000	.000
130	32.551	.000	.000
122	32.404	.000	.000
196	29.724	.000	.000
93	28.860	.001	.000
235	28.382	.001	.000
112	27.325	.001	.000
22	26.579	.002	.000
25	25.821	.002	.000
129	25.674	.002	.000
244	25.146	.003	.000
167	24.634	.003	.000
174	24.634	.003	.000
113	23.958	.004	.000
134	22.701	.007	.000
193	22.388	.008	.000

Observation number	Mahalanobis d-squared	p1	p2
94	22.123	.008	.000
267	22.098	.009	.000
86	21.878	.009	.000
33	21.442	.011	.000
175	21.394	.011	.000
208	21.372	.011	.000
151	21.084	.012	.000
238	20.878	.013	.000
153	19.775	.019	.000
236	19.208	.023	.000
266	18.978	.025	.000
240	18.903	.026	.000
222	18.664	.028	.000
14	17.781	.038	.000
104	17.511	.041	.000
99	17.417	.043	.000
10	16.847	.051	.000
95	16.630	.055	.000
37	16.467	.058	.000
247	16.298	.061	.000
111	15.997	.067	.000
243	15.954	.068	.000
212	15.833	.070	.000
288	15.563	.077	.000
60	15.406	.080	.000
198	15.405	.080	.000
225	15.218	.085	.000
154	15.061	.089	.000
245	14.998	.091	.000
223	14.980	.091	.000
199	14.881	.094	.000
98	14.831	.096	.000
81	14.576	.103	.000
63	14.517	.105	.000
246	14.445	.107	.000
209	14.298	.112	.000
298	14.294	.112	.000
144	14.068	.120	.000
284	13.821	.129	.001
107	13.544	.139	.002
278	13.537	.140	.002
177	13.156	.156	.011

Observation number	Mahalanobis d-squared	p1	p2
233	12.950	.165	.024
135	12.810	.171	.035
26	12.734	.175	.037
19	12.660	.179	.039
183	12.523	.185	.055
265	12.504	.186	.045
169	12.429	.190	.049
70	12.426	.190	.037
237	12.201	.202	.081
31	12.183	.203	.067
226	12.051	.210	.094
8	11.880	.220	.150
92	11.703	.231	.231
102	11.517	.242	.343
43	11.515	.242	.297
281	11.272	.257	.482
146	11.135	.267	.572
224	11.135	.267	.520
138	11.102	.269	.503
61	11.059	.272	.496
161	11.036	.273	.469
80	10.999	.276	.457
64	10.976	.277	.430
66	10.976	.277	.381
77	10.957	.279	.352
42	10.941	.280	.321
201	10.923	.281	.293
84	10.903	.282	.268
115	10.837	.287	.286
7	10.823	.288	.256
90	10.668	.299	.362
117	10.655	.300	.329
186	10.584	.305	.355
21	10.510	.311	.387
188	10.386	.320	.475
252	10.386	.320	.426
41	10.339	.324	.430
79	10.336	.324	.386

Notes for Model (Default model)

Computation of degrees of freedom (Default model)

Number of distinct sample moments:	44
Number of distinct parameters to be estimated:	23
Degrees of freedom (44 - 23):	21

Result (Default model)

Minimum was achieved
Chi-square = 38.899
Degrees of freedom = 21
Probability level = .010

Estimates (Group number 1 - Default model)

Scalar Estimates (Group number 1 - Default model)

Maximum Likelihood Estimates

Regression Weights: (Group number 1 - Default model)

			Estimate	S.E.	C.R.	P	Label
ES	<---	VM	.950	.051	19.777	***	par_9
PD	<---	VM	.556	.092	6.017	***	par_7
PD	<---	ES	.447	.086	5.190	***	par_8
VM4	<---	VM	1.000				
VM3	<---	VM	1.032	.036	28.790	***	par_1
VM2	<---	VM	1.011	.040	25.203	***	par_2
VM1	<---	VM	.834	.047	17.639	***	par_3
ES1	<---	ES	1.000				
ES2	<---	ES	.975	.051	19.173	***	par_4
ES3	<---	ES	1.009	.044	23.066	***	par_5
PD1	<---	PD	1.000				
PD2	<---	PD	.709	.060	11.881	***	par_6

Standardized Regression Weights: (Group number 1 - Default model)

			Estimate
ES	<---	VM	.912
PD	<---	VM	.562
PD	<---	ES	.495
VM4	<---	VM	.904
VM3	<---	VM	.953

			Estimate
VM2	<---	VM	.907
VM1	<---	VM	.770
ES1	<---	ES	.921
ES2	<---	ES	.813
ES3	<---	ES	.919
PD1	<---	PD	.869
PD2	<---	PD	.585

Covariances: (Group number 1 - Default model)

			Estimate	S.E.	C.R.	P	Label
e1	<-->	d2	.034	.010	3.514	***	par_10
e4	<-->	d1	.022	.009	2.601	.009	par_11

Correlations: (Group number 1 - Default model)

			Estimate
e4	<-->	d1	.227

Variances: (Group number 1 - Default model)

	Estimate	S.E.	C.R.	P	Label
VM	.461	.046	10.048	***	par_12
d1	.093	.017	5.613	***	par_13
d2	.032	.019	1.661	.097	par_14
e4	.103	.011	9.446	***	par_15
e3	.050	.007	7.314	***	par_16
e2	.101	.010	10.067	***	par_17
e1	.221	.019	11.538	***	par_18
e5	.099	.016	6.020	***	par_19
e6	.271	.025	10.909	***	par_20
e7	.105	.017	6.144	***	par_21
e8	.146	.022	6.668	***	par_22
e9	.436	.037	11.836	***	par_23

Matrices (Group number 1 - Default model)

Total Effects (Group number 1 - Default model)

	VM	ES	PD
ES	.950	.000	.000
PD	1.003	.447	.000
PD2	.712	.317	.709
PD1	1.003	.447	1.000
ES3	1.010	1.009	.000
ES2	.975	.975	.000
ES1	1.001	1.000	.000
VM1	.834	.000	.000
VM2	1.011	.000	.000
VM3	1.032	.000	.000
VM4	1.000	.000	.000

Standardized Total Effects (Group number 1 - Default model)

	VM	ES	PD
ES	.912	.000	.000
PD	1.014	.495	.000
PD2	.593	.290	.585
PD1	.881	.430	.869
ES3	.838	.919	.000
ES2	.741	.813	.000
ES1	.840	.921	.000
VM1	.770	.000	.000
VM2	.907	.000	.000
VM3	.953	.000	.000
VM4	.904	.000	.000

Direct Effects (Group number 1 - Default model)

	VM	ES	PD
ES	.950	.000	.000
PD	.556	.447	.000
PD2	.000	.000	.709
PD1	.000	.000	1.000
ES3	.000	1.009	.000
ES2	.000	.975	.000
ES1	.000	1.000	.000
VM1	.834	.000	.000
VM2	1.011	.000	.000
VM3	1.032	.000	.000

	VM	ES	PD
VM4	1.000	.000	.000

Standardized Direct Effects (Group number 1 - Default model)

	VM	ES	PD
ES	.912	.000	.000
PD	.562	.495	.000
PD2	.000	.000	.585
PD1	.000	.000	.869
ES3	.000	.919	.000
ES2	.000	.813	.000
ES1	.000	.921	.000
VM1	.770	.000	.000
VM2	.907	.000	.000
VM3	.953	.000	.000
VM4	.904	.000	.000

Indirect Effects (Group number 1 - Default model)

	VM	ES	PD
ES	.000	.000	.000
PD	.424	.000	.000
PD2	.712	.317	.000
PD1	1.003	.447	.000
ES3	1.010	.000	.000
ES2	.975	.000	.000
ES1	1.001	.000	.000
VM1	.000	.000	.000
VM2	.000	.000	.000
VM3	.000	.000	.000
VM4	.000	.000	.000

Standardized Indirect Effects (Group number 1 - Default model)

	VM	ES	PD
ES	.000	.000	.000
PD	.452	.000	.000
PD2	.593	.290	.000
PD1	.881	.430	.000
ES3	.838	.000	.000
ES2	.741	.000	.000
ES1	.840	.000	.000
VM1	.000	.000	.000

	VM	ES	PD
VM2	.000	.000	.000
VM3	.000	.000	.000
VM4	.000	.000	.000

Model Fit Summary

CMIN

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	23	38.899	21	.010	1.852
Saturated model	45	.000	0		
Independence model	9	2743.657	36	.000	76.213

RMR, GFI

Model	RMR	GFI	AGFI	PGFI
Default model	.011	.971	.939	.453
Saturated model	.000	1.000		
Independence model	.390	.200	.000	.160

Baseline Comparisons

Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Default model	.986	.976	.993	.989	.993
Saturated model	1.000		1.000		1.000
Independence model	.000	.000	.000	.000	.000

Parsimony-Adjusted Measures

Model	PRATIO	PNFI	PCFI
Default model	.583	.575	.579
Saturated model	.000	.000	.000
Independence model	1.000	.000	.000

NCP

Model	NCP	LO 90	HI 90
Default model	17.899	4.146	39.458
Saturated model	.000	.000	.000
Independence model	2707.657	2539.506	2883.124

FMIN

Model	FMIN	F0	LO 90	HI 90
Default model	.130	.060	.014	.132
Saturated model	.000	.000	.000	.000
Independence model	9.176	9.056	8.493	9.643

RMSEA

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	.053	.026	.079	.384
Independence model	.502	.486	.518	.000

AIC

Model	AIC	BCC	BIC	CAIC
Default model	86.899	88.560	175.789	199.789
Saturated model	90.000	93.114	256.670	301.670
Independence model	2761.657	2762.280	2794.991	2803.991

ECVI

Model	ECVI	LO 90	HI 90	MECVI
Default model	.291	.245	.363	.296
Saturated model	.301	.301	.301	.311
Independence model	9.236	8.674	9.823	9.238

HOELTER

Model	HOELTER .05	HOELTER .01
Default model	252	300
Independence model	6	7

Execution time summary

Minimization:	.016
Miscellaneous:	.359
Bootstrap:	.000
Total:	.375

LEGAL

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